

Northern Rivers Regional Affordable Housing Strategy *Draft*

November 2012



*Project funded by NOROC and auspiced
and managed by Clarence Valley Council
Consultants Social Habitat*



Acknowledgements



This Strategy is funded by the Northern Rivers Regional Organisation of Councils (NOROC), which represents the local government areas (LGAs) of Ballina Shire; Byron Shire; Clarence Valley; Kyogle; Lismore City; Richmond Valley and Tweed Shire.

The development of the Strategy was auspiced by Clarence Valley Council and supervised by a committee with membership from each of the seven LGAs.

The consultants, Social Habitat, have prepared the Strategy.

This Strategy draws from the local affordable housing strategies already developed in the Northern Rivers including:

- Ballina Shire Affordable Housing Strategy adopted March 25 2010;
- Byron Shire Affordable Housing Strategy June 2009;
- Clarence Valley Affordable Housing Strategy 2007; and
- Lismore Housing Strategy July 2012.

The Strategy takes inspiration and borrows ideas from housing strategies prepared in regions of similar social, economic and cultural makeup to the Northern Rivers region of NSW. Those strategies include:

- Affordable Housing Strategy 2010–2012 (Hobart City Council);
- Sunshine Coast Affordable Living Strategy 2010-2020; and
- Affordable Housing Strategy 2010-2020 (WA Government).

Some images in the document are derived from:

- Lismore Housing Strategy 2012
- Review of Tweed Development Control Plan Section A1 - Residential and Tourist Development Code Part A - Single dwelling houses, alterations and additions Discussion Paper 5 Small lot housing May 2012

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Executive Summary

The Northern Rivers Regional Affordable Housing Strategy builds on the affordable housing strategic work of the seven LGAs comprising the Northern Rivers Regional Organisation of Councils (NOROC), the member councils are: Ballina Shire, Byron Shire, Clarence Valley, Kyogle, Lismore City, Richmond Valley and Tweed Shire.

This Strategy investigates the issues of housing affordability, accessibility and availability in the Northern Rivers region and confirms that there is a high degree of 'housing stress' in the LGAs of the Northern Rivers for people on low to moderate incomes. The ABS Census 2011 confirms that housing in the Northern Rivers is considerably less affordable than in the rest of NSW and that the problem has continued to worsen in the past five years. The causes of the housing affordability crisis in the Northern Rivers are extremely complex; they have international, national, state and local causes. Without change in the current dynamics of housing supply the consequences of this crisis will continue to broaden from stress on individuals and families to wider community consequences.

The lack of affordable housing is already starting to affect the wider economy and culture, particularly the age structure of the region. For example, there are limited numbers of smaller accessible housing options for older people, so they are tending to either move elsewhere or remain in larger underutilised housing, while young people from 20 up to 45 years of age are tending either to move away to regions with a better ratio of income to housing costs, or they are commuting increased distances across the region for work.

Policy responses from all levels of government over the past ten years have generally had only modest results in terms of new housing. There are notable exceptions;

- The Clarence Valley Affordable Housing Reform & Infrastructure Package, which included resourcing of a housing officer funded under the *Housing Affordability Fund*;
- Recent investment under *Building Better Regional Cities* Commonwealth funding of \$8.4M in the Tweed, \$5M in Lismore and \$4.5M in Ballina; and
- Promotion of the secondary dwelling provisions of the ARH-SEPP in Byron Shire.

The central thrust of the recommendations of this Strategy is to create an effective cooperative framework for the development of affordable and accessible housing within the region, including community stakeholders, the seven LGAs that comprise NOROC, as well as the State and Commonwealth governments.

Northern Rivers - Seven LGA's

20705.9 Km²

	NRs 2011	NSW 2011
Total persons (a)	282,162	6,958,812
Population % of NSW	4.05%	
Median age of persons	44	38
Dwelling Numbers	114,885	2,599,189
Outright Ownership	38.55%	31.94%
Ownership with a		
Mortgage	27.17%	31.86%
Renting	27.30%	29.12%
Social housing	3.35%	4.89%
Median total household Income (\$/weekly)	862	1,233
Median mortgage Repayment (\$/monthly)	1,600	1,993
Median rent (\$/weekly)	270	300
Average household Size	2.46	2.68

Ratio of Median Annual Household Income to Median Dwelling Price

	2001	2011
Richmond-Tweed Stat Area (All LGA'S above excl Clarence)	5.83	9.06
Clarence Valley	4.86	7.37
NSW	6.05	6.55

(Statistical information 2011 census)

Specifically the Strategy seeks to:

- Define roles and responsibilities for the main stakeholders;
- Strengthen and expand the institutional architecture of the region, so developers, private and not-for-profit housing providers, can take effective advantage of government programs and private investment in future;
- Create certainty around long term resourcing of affordable, adaptable and social housing;
- Embed the promotion of affordable housing solutions in all aspects of local government policy and practice;
- Harmonise local planning with State Government planning reform under the proposed *New Planning System for NSW* and the proposed *Affordable Housing Choice SEPP*;
- Put in place mechanisms that will protect existing affordable housing; and
- Promote a range of innovation including research and trialling of a number of design, settlement planning and legal pilots.

Finally the Strategy recommends that NOROC adopt the Strategy and memorandum of understanding. The MOU provides the senior level committee to continue the resourcing of regional affordable housing steering group. It provides a mechanism for the regional housing officer to work with the participating councils to enable sharing of information, development of consistent and compatible policy and planning mechanisms, to encourage provision of accommodation that is available, affordable, adaptable and appropriate for the Northern Rivers NSW.

The regional housing officer will focus on implementing a lead regional project **The Northern Rivers Affordable Housing Incentives Package**. This project is about creating a set of incentives around three specific types of development and then promoting the package with public forums, a media campaign and promotional materials. The three types of development are secondary dwellings, one and two bedroom accessible dwellings and shop top housing.

Northern Rivers Housing Story 1

A local man of Mullumbimby recently tried to sell a small detached dwelling, his was the cheapest detached dwelling for sale in Mullumbimby at the time. He put it on the market at \$380,000. The bank had recently re-valued the property at \$300,000, which would mean that \$240,000 or 80% was the maximum a bank would lend. Therefore a first home buyer would need a \$140,000 deposit, although a small portion of this could be offset by government grants. The resulting weekly mortgage payment would be around \$370/week (6% standard variable rate over 25 years on \$240,000). He had only two offers of \$330,000 and \$300,000. He decided not to sell and rented the property at \$370/week

Northern Rivers Housing Story 2

Q: What does affordable housing mean to you?

- "Safety and easy to pay for rent and other things"
- "I'm on a pension due to an accident at work and I wouldn't be able to afford housing by myself"

Q: How has affordable housing made a difference to your circumstances?

- "Given me stability"
- "Better place to raise my family"

(Extract - Tenant's evaluation of the Clarence Valley Affordable Housing Project)

What is Affordable Housing?

Housing is considered 'affordable' when a very low, low or moderate income household, that is one in the lowest 40% of income earners, can make its rental or mortgage payments while still being able to pay for other essential goods and services. For the purpose of this Strategy affordable housing is where rental or mortgage repayments do not exceed 30% of gross household income.

What is Housing Stress?

Housing stress is generally used to describe low-to-moderate income households that are spending more than 30% of gross household income on housing costs. For the purpose of this Strategy, a household is considered to be in 'housing crisis' or 'severe housing stress' when paying more than 50% of its income on housing.

Note: Affordable Housing is a relative term. In common use 'affordable housing' is related to other variables, housing costs as a relationship to household income or to market value. There are only limited ways to lower housing costs, these are by reducing:

- The cost of regulation and tax;
- The cost of supporting infrastructure;
- The level of building specification;
- The cost of construction;
- The size of dwellings; and
- The cost of rent or mortgage.

Reducing the cost of rent or mortgage requires resources in the form of a public or private subsidy.

Glossary

AHURI	Australian Housing and Urban Research Institute
ARH-SEPP	State Environmental Planning Policy (Affordable Rental Housing) 2009
BCA	Building Code of Australia
BSC	Ballina Shire council
BySC	Byron Shire Council
CVC	Clarence Valley Council
CHL	Community Housing Limited
DA	Development Application
DoFS	NSW Department of Finance and Services
DoLG	NSW Division of Local Government
DoPIC&L	NSW Department of Primary Industries Catchment and Lands
FAHCSIA	Families, Housing, Community Services and Indigenous Affairs
GFC	Global financial crisis
HNSW	Housing NSW (Dept. of Housing)
HSPD-SEPP	State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004
KC	Kyogle Council
LCC	Lismore City Council
LGA	Local government area
MOU	Memorandum of Understanding
NCCHC	North Coast Community Housing Company
NOROC	Northern Rivers Regional Organisation of Councils
NRSDC	Northern Rivers Social Development Council
NRRRAHS	Northern Rivers Regional Affordable Housing Strategy
NSW Gov.	NSW Government
NSW P&I	NSW Planning and Infrastructure
OH&S	Occupational Health and Safety
RVC	Richmond Valley Council
Region	Northern Rivers region
RDANR	Regional Development Australia Northern Rivers
RLS-SEPP	State Environmental Planning Policy No. 15 – Rural Landsharing Communities
TSC	Tweed Shire Council

1. Introduction

The Strategy:

- Identifies the issue and the land to which it relates;
- Describes the background for the Strategy;
- Identifies the response by Government to the issue;
- Identifies the guiding principles and goals of the Strategy; and
- Identifies an action plan towards the implementation of the Strategy.

This Strategy seeks to guide and coordinate the research, initiate and recommend further policy development, planning, advocacy, partnership building, education and evaluation mechanisms to assist the participating councils to facilitate accommodation for people on low and moderate incomes. The Strategy seeks to ensure housing in the region is available, affordable and adaptable.

The region defined in this Strategy comprises the councils of Ballina Shire, Byron Shire, Clarence Valley, Kyogle, Lismore City, Richmond Valley and Tweed Shire. The region is bounded by, the Pacific Ocean to the east, the Great Dividing Range to the west, the Queensland border to the north and the Clarence Valley to the south. It includes the valleys of the Clarence River, Richmond/Wilson Rivers, Brunswick River and Tweed River.

The region is socio-economically and environmentally diverse. The eastern coastal fringe tends to be lifestyle, tourism and intensive agricultural orientated while the western hinterland tends towards a more traditional agricultural and industrial orientation. The northern part of Tweed Shire has a development pattern related closely to that of SE Queensland while the rest tends to be a more traditional rural/regional development pattern. The nature of the affordable housing issue in the region, the shared history and the need for collective advocacy make a regional approach to affordable housing a logical step.

The focus of this Strategy is on facilitating affordable and adaptable housing and not on homelessness directly. However because this Strategy seeks to provide lower cost housing for people of low to moderate income it may help to alleviate the causes of homelessness.

What is Adaptable Housing?

Adaptable housing is housing designed to be useable by people with changing physical needs, in particular as people grow older or lose full mobility. Adaptable housing dwelling units avoid barriers that may discriminate against people living in or visiting the home.

(Clarence Valley Council Adaptable Housing Guidelines)

What is Social Housing?

“Those policies, organisations and services designed to provide long-term, not-for-profit, rental housing in order to achieve a diversity of social purposes encompassing both shelter and beyond shelter outcomes” (p5 Integration and Social Housing in Australia: challenges and options, AHURI). Generally social housing is subsidised public housing, which is owned and or managed by government, or subsidised housing owned and or managed by not for profit community organisations.

2. Background

Housing affordability and housing stress began to emerge as a serious issue in the region in 2000-2001. Property prices and rents rose rapidly in the coastal 'sea change' and tourist areas of Byron Bay, Ballina and Tweed Coast. Housing stress gradually became common across the region as house prices rose at a faster rate than incomes. The level of housing stress is not uniform across the region. The highest level of housing stress occurs in the coastal local government areas of Tweed, Byron, Ballina and the coastal parts of the Clarence Valley and Richmond Valley.

The physical character and historical settlement pattern of the region also affects housing affordability. Most towns in the region have been built on flood plains. Traditionally this was not a problem as low cost housing, usually workers cottages, and central business districts were built on the floodplain at or near ground level, and periodic flooding was accepted as part of life. Contemporary flood planning means that habitable floor levels now have to be built above 1 in 100 year flood levels, in recent years these assessments have tended to raise the design flood level further as climate change is taken into account. The increase in the general level of building specification in recent times, particularly for medium density housing or housing requiring disability access, has contributed to building on the flood plains more difficult and costly. This reduces the opportunities to build sustainable low cost housing within the footprint of established towns and regional centres.

The causes of housing stress common throughout Australia are complex. In the past decade, the growth in the median cost of housing has increased significantly compared with the growth in median incomes. This has led to housing stress for moderate income households either with a mortgage or renting.

Factors contributing to the low level of housing affordability include:

- Over 20 years of continuous economic growth in Australia;
- A rapid expansion of credit availability at relatively low rates of interest before the global financial crisis and tightening of available finances post GFC;
- Tax and finance incentives which have encouraged private investment in existing dwelling stock rather than the construction of new dwellings;
- Cost of land available for housing has increased rapidly;
- Housing policies at State and Federal levels tending to be inflationary, by stimulating demand more than supply;

Australia House Prices and Income

	1999-2000	2009-2010	Increase
Median Housing Cost	\$219,000	\$440,000	101%
Median Weekly Household Income	\$1,283	\$1,688	31%

Northern Rivers Housing Story 3

Peter Harris is a current social housing tenant but previously lived in caravan parks.

"I had a bit of money. I was looking for a place to live around the North Coast. My sister had her own caravan in Tinkerbelle Caravan Park, a middle-of-the-road caravan park. As luck would have it another van came up for sale." He spent 4 or 5 relatively happy years there. "...until Tinkerbelle was sold. A lot more could have been done defending tenant rights during this period, but the people arranging the sale used the time-honoured tactics of divide-&-conquer, plus miss-information."

Subsequently he moved to another caravan park, Sandalwood Park in Wardell, where he once again established a life until he turned 65, applied for social housing and moved to Lismore.

- Significant increases in the cost of house construction and land development due to factors such as:
 - Increase in the cost of materials and labour, well above underlying inflation;
 - Higher construction specifications particularly in areas such as occupational health and safety, environmental design and bushfire protection;
 - Regulatory costs; and
 - Introduction of the goods and services tax (GST) while retaining a range of inefficient state taxes;
- The complexity of the planning and development processes which are inherently unable to respond quickly to large increases in demand;
- A lack of investment in social housing; and
- Population growth and immigration levels.

The lack of affordable housing in the region has resulted from a blend of the above factors, and local factors. This combination has created greater levels of housing stress here than virtually any other part of Australia.

Ratio of Median Annual Household Income to Median Dwelling Price

(A comparative measure of housing stress)

	2001	2011
Ballina		8.48
Byron		13.04
Kyogle		7.22
Lismore		7.12
Richmond Valley		7.41
Tweed	5.81	8.88
Richmond-Tweed		
Stat Area (all LGA'S above excl Clarence)	5.83	9.06
Clarence Valley	4.86	7.37
NSW	6.05	6.55

This means that the purchase of an average dwelling in Byron Shire would take all of the gross income of 13 years, twice as long as the rest of NSW.

Based on figures on income 2011 Census and Dept. Housing Rent & Sales Report June 2011 quarter & June 2001 quarter.



3. Government Response

Traditionally State Governments have had the primary responsibility for housing policy and provision of affordable housing. Much of the State's response has centred on the provision of rent-subsidised public housing. This began to change in the late 1980's and further changed in the late 1990's as the bulk of government housing investment shifted from provision of public housing to stimulating the private housing sector. Local Government has traditionally had a planning and land development role and no specific role as a housing developer. Public policy relating to housing has shifted significantly at all three levels of government in the past ten years.

Commonwealth Policy Response

National Affordable Housing Agreement (NAHA) - The NAHA provides a framework for provision of affordable housing across all three levels of government, as well as providing \$6.2 billion worth of new housing assistance to low and middle income Australians in the first five years.

National Rental Affordability Scheme (NRAS) - This scheme provides \$6,000 per year tax rebate, over 10 years for housing provided at less than 80% market rent. The program is currently in its fourth round and is not guaranteed to continue.

Housing Affordability Fund - A \$500M stimulus funding package designed to address two significant supply-side barriers, holding costs incurred by developers and infrastructure costs.

Building Better Regional Cities Program - This program provides infrastructure funding as a stimulus to reduce the costs to the private development industry and thereby assist to reduce the purchase price of housing.

NSW Government Affordable Housing Policy and Programs

The key changes in NSW Government housing policy in the past ten years have been:

- A shift away from public housing to the 'not-for-profit' / non-government housing sector. The overall percentage of public housing in NSW has reduced from 4.9% to 4.2% since 2001; and
- A shift from housing policy related primarily to social housing and homelessness to wider issues of housing affordability.

The following briefly identifies the key housing and related programs and schemes in NSW in the last 5 years:

Expanded Boarding House Financial Assistance Program (current) - This program provides grants to developers of up to \$10,000 per room provided.

Affordable Housing Innovations Fund (not current) - NSW has had a number of direct funding programs such as the \$49.8M **Affordable Housing Innovations Fund** 2006-2009. The Northern Rivers Region did not benefit directly from this funding.

First Home, New Home & NSW New Home Grant Scheme (current) - The scheme provides a combination of exemptions, concessions on transfer duty and direct grants for people who are buying or constructing their first home in NSW.

Rentstart (current) - The scheme provides financial assistance for low-income earners to help them set up or maintain a tenancy in the private rental market. The Commonwealth Government Rental Assistance program supplements this.

NRAS – The State Government provides a \$2,000 per year tax rebate, over 10 years that supplements the Commonwealth program.



NSW Planning Reform

SEPP-Affordable Rental Housing 2009 (ARH-SEPP) This is a State planning policy that seeks to provide a range of types of affordable housing. This policy has been under review since 2010 and is to be replaced by the **Affordable Housing Choice SEPP**.

A New Planning System for New South Wales on 14 July 2012, the NSW Government released the Green Paper, this outlines the Government's 'blueprints for change' based around four fundamental reforms, including:

Community Participation

The major shift in the new planning system is to engage communities as an integral part of making key planning decisions that will affect the growth of their communities.

Strategic Focus

A major shift to evidence based strategic planning in terms of planning effort, community and stakeholder engagement and decision making.



Results in Northern Rivers of State & Commonwealth Policy and Programs

Regional ARH-SEPP Progress

- Byron Shire supported and promoted secondary dwellings by waiving development contributions. This has resulted in over 50 successful development applications in the year to the end of June 2012.

Social Housing Initiative

- Richmond Valley - 37 dwellings in four projects constructed in Casino
- Clarence Valley – 25 dwellings constructed in Grafton

NRAS Funding

- Clarence Valley - 24 dwellings constructed
- Lismore City – 20 dwellings built and a 15 further approved
- Tweed Shire – Approval of between 50-150 dwellings

Building Better Regional Cities Program

- Ballina Shire \$4.5M
- Lismore \$5M
- Tweed \$8.4M

(Data provided by council planning departments and Commonwealth websites)

Streamlined Approval

A shift to a performance based system in which duplicative layers of assessment have been removed, decisions are fast and transparent, and code complying development is maximised.

Provision of Infrastructure

A genuine integration of planning for infrastructure with the strategic planning of land use so that infrastructure that supports growth is funded and delivered.

The Green Paper envisages that to achieve the 'blueprints for change' there will be need for an increased focus on delivery and the creation of a more facilitative and transformative planning culture.

Local Policy Response

Local affordable housing strategies, or strategies that address affordable housing issues, have been adopted in the following LGAs in the region:

- Ballina Shire Affordable Housing Strategy (2010);
- Byron Shire Affordable Housing Strategy for Urban Areas (2002);
- Byron Shire Affordable Housing Strategy (2009);
- Clarence Valley Affordable Housing Strategy 2007; and
- Lismore Housing Strategy 2012.

Tweed Shire and Richmond Valley have responded indirectly to the issue via other policies, whilst Kyogle has highlighted the issue in their community Social Plan.

The resources outlaid to date have been substantial and are a reflection that the local councils in the region regard the issue seriously.

Local strategies and responses have had success on a number of levels, including:

- Development of an understanding of the seriousness and nature of the issue.
- Building partnerships within communities, with regional stakeholders and with the NSW Government.
- Gaining greater resources for provision of homeless housing services.
- Building new affordable accommodation. Clarence Valley Council successfully brokered a partnership with Community Housing Limited and Housing NSW to build fourteen dwellings using NRAS funds near Grafton.

- The funding of Clarence Valley Affordable Housing Reform and Infrastructure development of Bailey’s Estate, Junction Hill, to bring forward the release of 35 residential lots sold at a discounted rate.
- Through promotion and support of secondary dwelling provisions in ARH-SEPP. In Byron Shire this has had an increase in the applications for and construction of secondary dwellings.

However, the number of new dwellings specifically for low to moderate households has been modest, which is a reflection on how little Local Government strategies can achieve without resources and support from State and Commonwealth Governments.

Summary

- State and Commonwealth housing policies and grant programs aimed at stimulating the creation of new affordable housing have had modest success in the Northern Rivers (See box on previous page). The success of State and Commonwealth homeowner grant programs is questionable as these grants have tended to stimulate demand without increasing supply, thus potentially contributing to rises in house prices over time.
- Urban in-fill, smaller lot subdivision and boarding house opportunities promoted under the ARH-SEPP have met with community resistance in the region. The secondary dwelling provisions have been the most successful opportunities provided by the ARH-SEPP in the region.
- The relatively small results achieved by the NRAS program in the Northern Rivers have neither reflected the housing need nor the population size of the region. The reasons for this relative lack of success relate to a lack of development scale and a lack of professional development expertise in the region.
- Review of outcomes of local strategies show that long term resourcing of a worker, building a strong relationship with the State Government and local collaboration and partnerships should be pursued.
- The proposed NSW planning reform announced in the Green Paper provides an opportunity to provide a legislative framework to increase provision of affordable housing.



Image: ArcoEco Architects

Housing Stress

This presents the percentage of households either in rental or purchase stress

<i>LGA</i>	<i>Rental Stress%</i>	<i>Purchase Stress%</i>
Ballina	49.0	33.6
Byron	62.6	41.6
Clarence Valley	47.4	29.9
Kyogle	42.8	27.8
Lismore	52.5	30.0
Richmond Valley	48.0	30.7
Tweed	55.8	36.0

Figures are based on 2006 census.
Note these figures are likely to have deteriorated further see
Housing Stress P18

4. The Northern Rivers Regional Initiative

Affordable housing was identified in the NOROC Strategic Plan 2009-2012 as a key issue that would benefit from a regional approach. In October 2011 NOROC allocated funds to the development of a regional strategy and the consultancy Social Habitat was engaged to coordinate stakeholder engagement and prepare the strategy.

Consultation and Research Process

The consultation and research phase of this Strategy occurred between April – August 2012. The process is mapped in the **Northern Rivers Housing Strategy Storyboard**, (see Background document) it included:

- Individual meetings with staff from each of the seven councils concerned with the issue of affordable housing;
- Regional affordable housing steering group meetings;
- Meetings with a number of private development industry stakeholders;
- Attendance and presentation to the Northern Rivers Housing Forum in May 2012;
- Consultation with North Coast Community Housing Company (NCCHC) and the Northern Rivers Social Development Council (NRSDC);
- Presentation to the NOROC General Managers meeting in early August 2012; and
- Reviewing the existing housing and planning strategies and instruments relating to affordable housing.

Government Policy Issues Related to the Northern Rivers

- **The Planning System** - The seemingly never-ending changes to the NSW planning legislation both generally and by way of introduction of more detailed and exhaustive State policies, the standard template local environmental plans together with related natural resource legislation has made obtaining planning approvals complex and time consuming. This has contributed to a culture of low risk-taking by private and not-for-profit developers of housing.
- **Region Specific Planning Issues** - In the Northern Rivers Region it is not uncommon for developers of housing projects to have to address, by provision of specialist assessment, reports on a range of issues including: planning development controls and standards; flood; bushfire protection; threatened species; fauna and flora; noise; management of stormwater; traffic impact; social impact; acid sulfate soils; groundwater; and provision of infrastructure.

The period between councils preparing housing strategies, rezoning of land, and a developer negotiating and obtaining development consents for subdivision and housing projects may be five or more years. Contributions to community services and facilities and water and sewer infrastructure, together with higher construction standards and material costs, contribute to less housing coming on to the market.

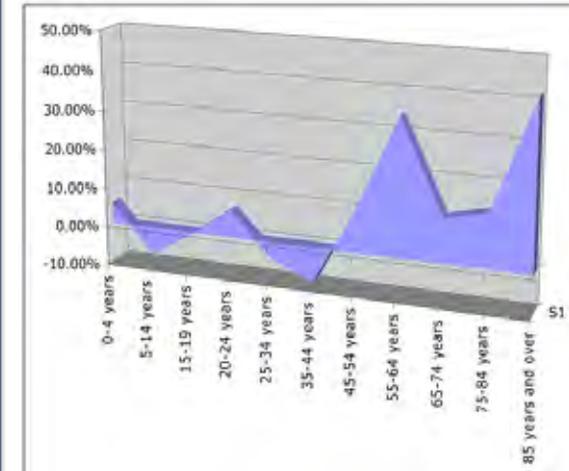
- **Lack of Appropriate Expertise and Resources** - A significant reason why the region was unable to take fair and equitable advantage of State and Commonwealth funding programs was that it lacked development services, expertise and dedicated workers that are all present in other areas, particularly Sydney, Newcastle and Wollongong. The region generally lacks professional resources and expertise in both private and not-for-profit sectors. This lack of financial, legal and development expertise was a key reason why it was relatively unsuccessful in brokering government subsidised affordable housing projects.

The exceptions are Tweed Shire where a larger private developer received NRAS assistance for a residential development at Cobaki Lakes, and in the Clarence Valley where Council partnered with Community Housing Limited (CHL) and Housing NSW to build 14 dwellings. In the not-for-profit sector the North Coast Community Housing Company (NCCHC) was nominated as the “growth provider” for the region, however this organisation initially lacked expertise and experience as a housing developer and received minimal help from government. Regional areas outside the wider Sydney Metropolitan area do not have access to assistance from a government-run organisation like Landcom.

- **State and Commonwealth Policy is City Centric** - Housing research and policy in Australia primarily relates to urban metropolitan areas. In relation to affordable and adaptable housing, particular concerns include:
 - Planning policies such as ARH-SEPP and HSPD-SEPP are written for and relate primarily to urban contexts, and take little account of the differences in service models and delivery, historical settlement pattern and culture of rural/regional areas.
 - State and Commonwealth housing programs tend to have a bias toward urban in-fill development.
 - Programs such as NRAS tend to support large-scale development of 200 or more dwellings - developments of this scale are more risky and difficult to achieve in regional areas.

Demographic Trends

- The median age of the region is 44 years, compares to 38 years for NSW as a whole.



- The age groups that increased the most rapidly in the past 10 years have been those aged between 55 and 64 and those over 85.
- The average number of people per dwelling 2.54 persons/dwelling in 2001 to 2.46 persons per dwelling in 2011.
- 20-45 year olds have decreased from 27.3% of population to 24.5% of population in the past 10 years while those over 45 have increased from 42.2% to 48.6% of the population.

Northern Rivers Housing Story 4

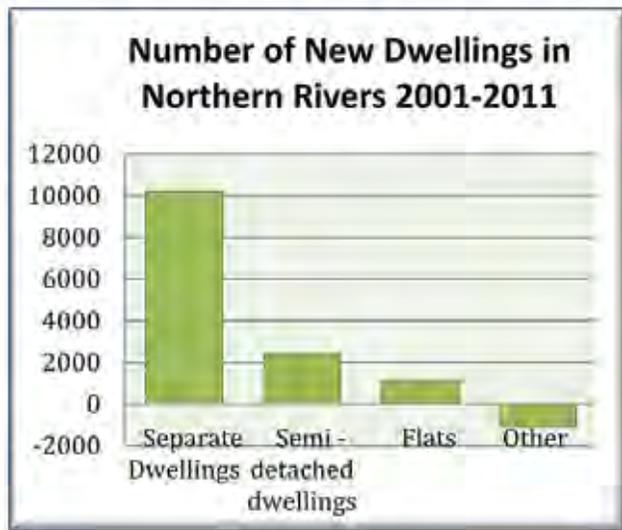
Caroona Uniting Care, a Northern Rivers aged housing provider proposed developing a seniors housing facility in the town of Woodburn in the Richmond Valley under the HSPD-SEPP. One condition under the HSPD-SEPP is that the facility needs to be located within 500m of a GP. Woodburn a town of about 500 people does not currently have a resident doctor. This has not stopped Caroona from proceeding with their proposal however they are not able to take advantage of planning benefits provided by the HSPD-SEPP.

- There is a lack of support within Planning NSW for almost all forms of rural affordable accommodation including detached dual occupancy and alternatives such as rural rental housing.
- The Australian Housing and Urban Research Institute (AHURI), which is the lead Australian research body into housing policy has comparatively limited research on rural and regional housing compared to urban/metropolitan housing.

Regional Specific Issues

The following issues are identified as relating to the specific nature of the affordable housing crisis or of causing housing to be less affordable in the Northern Rivers Region. Statistics in the following section are sourced from the 2011 Australian Census, and comparisons are on the 2006 and 2001 census time series data, unless otherwise stated.

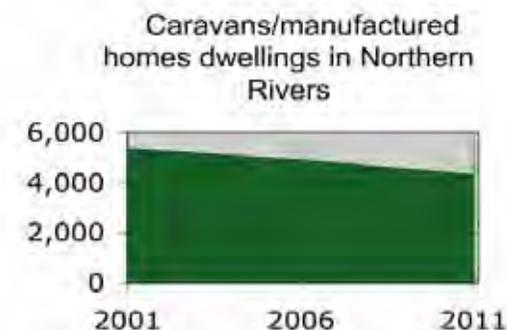
- **Housing Stress** - Up to 67% of renting households are experiencing rental stress. This figure is lower for inland locations where it is still over 40%. (*Submission to the Senate Inquiry Into Housing Affordability From The Northern Rivers Social Development Council April 2008*) Housing stress has most likely deteriorated further in the last five years, as household income has increased by only 15.5%, while household mortgages have increased by 29.5% and household rents by 27.8% between 2006 and 2011. (*Awaiting 2011 census data for housing stress.*)
- **Weak Base of Social Housing** - 3.3% of the total housing stock is social housing compared to 4.9% in NSW as a whole. There is little evidence of change with a net increase of just 85 properties in the region over the past five years. In 2001 total social housing was 3,715 dwellings or 3.62% of all dwellings in the region, by 2011 social housing comprised 3,853 dwellings or 3.35% of total dwellings. This stock of subsidised housing is too small to create either a genuine alternative to, or provide a price dampening effect on rents in the private rental market.
- **Disparity Between Income and Housing Costs Has Increased Housing Stress** - In the past ten years the region's median household income increased by 55.6%. The median mortgage payment increased by 95.1% and the median rent increased by 92.9%.
- **Comparative Disparity** - Median household income in the region is 70% of median income of NSW as a whole. Median housing mortgages, are 80% and rents are 90% of median housing costs of NSW as a whole. This disparity is more significant in coastal areas like Tweed, Byron and Ballina where housing costs are equivalent to or greater than in Sydney.



- **Poor Mix of Housing Stock** - Detached dwellings have increased as a proportion of overall dwelling stock from 74.2% to 75.2%, despite the objective of both the Far North Coast Regional Strategy and Mid North Coast Regional Strategy to reduce this to around 60% of total dwellings by 2031.
- **Inefficient Utilisation of Existing Infrastructure** - The cost of centralised infrastructure development, such as sewers and water mains, along with the cost of all construction has generally been 3% or more above CPI annually for the past decade. In relation to sewers this cost increase is partially due to increased environmental standards. The continuing dominance of detached dwellings with low population densities in the Northern Rivers has tended to cause an exaggerated increase in unit cost per dwellings for infrastructure. Social services like public transport that are based on centralised models are also less viable when the population is spread out.
- **Decline of Past Solutions** - There is a range of low cost housing solutions in the region such as caravans, manufactured homes, traditional workers cottages and various forms of rural land sharing (multiple occupancy) that have traditionally provided low cost housing. In the past decade there has been a loss in absolute numbers and institutional support for these forms of housing.
- **Conversion of Permanent Accommodation into Tourist Dwellings** - The provision of accommodation for tourists has tended to reduce the supply of housing for local people, particularly in the coastal towns like Byron Bay.
- **The Nature of In-migration** - Since the mid 1990's there has been a steady rise in the number of 'sea changers' or 'tree changers' migrating into the region, either to live permanently or to live for a part of each year. This in-migration and the associated demand for housing have contributed to the increase in land values and the cost of housing in the region. Anecdotally, this has had the effect of displacing people on low and moderate incomes and/or causing housing stress as rents increase and housing availability decreases.
- **Ageing Population** - The 2011 census demonstrates a rapid increase in the population of people over 55 years. Affordability is a concern for older residents, due to their relatively lower incomes. As of 2011, 31.2% of people aged over 55 years earned less than \$300/week, while 53.9% earned less than \$400/week.
- **Loss of Young Workers** - There has been a net loss in both absolute numbers and as a percentage of the population in every five year cohort between 20 and 49 years of age in the past 10 years. Lack of affordable housing is likely to be a contributing factor.

Caravans Decline

There has been a decline of 1064 caravan and manufactured home dwellings in the past decade in the Northern Rivers.



Rural Land Sharing

The Northern Rivers, particularly the in shires of Byron and Kyogle and Lismore City Council, has 120 communities with over 2000 residents. This is the highest concentration of people living on rural land sharing communities in NSW.

Clause (b)(iii) of State Environmental Planning Policy No 15—Rural Landsharing Communities states “the pooling of resources, particularly where low incomes are involved, to economically develop a wide range of communal rural living opportunities, including the construction of low cost buildings”.

Vision

To increase the range of housing opportunities for those on low-to-moderate incomes, where accommodation is available, affordable and adaptable. By:

- Developing and strengthening partnerships;
- Using knowledge we can gain from each other in the region;
- Emulating the successes and learning from the mistakes of other councils; and
- Collective advocacy.

5. Guiding Principles

The following key principles have been adopted to underpin the Northern Rivers Regional Affordable Housing Strategy:

- **Commitment to providing access to housing that is appropriate and affordable** - All residents of the region to be able to access appropriate and affordable housing.
- **Partnership and Collaboration** – Seek to achieve a collaborative approach between the community, private sector and all levels of government to address housing needs across the region.
- **Inclusiveness of Decision Making** – Engaging with interest groups in defining housing problems, issues to be addressed and prioritised, solutions to be considered and implemented and recommendations to be made.
- **Fairness and equity** – Any costs and benefits of policy outcomes are to be fairly distributed among interest groups, with an emphasis on ensuring that the least well off or those most disadvantaged receive appropriate priority.
- **Efficiency and effectiveness** – Public resources are applied in such a way as to maximise beneficial outcomes per dollar expenditure.
- **Simplicity and ease of administration** – Policy recommendations to be simple to implement and the costs of administration kept to a minimum.
- **Sustainability** – Consideration of social, economic or environmental outcomes by providing housing in a way that contributes to the development of inclusive and sustainable communities.

6. Strategic Goals

Goal 1 Collaboration and cooperation – Facilitate a constructive working relationship between the seven LGAs to enable sharing of information, development of effective partnerships, the development of consistent and compatible policy and planning mechanisms and to strengthen the advocacy of regional issues to the State and Federal Governments.

Goal 2 Create certainty in public investment – Seek to bring the level of social housing in the region (3.35%) up to the same level of social housing for the rest of NSW (4.89%) within 20 years.

Goal 3 Support for the provision of affordable and adaptable housing is embedded in all aspects of policy and practice of local government within the Northern Rivers.

Goal 4 Lower risks for private investment in affordable housing – Encourage private investment in affordable housing by creating clear housing benchmarks, streamlined planning assessment and facilitating low cost development expertise.

Goal 5 Increase resourcing and expertise – Encourage Local Government in the region, either collectively or individually to engage a level of professional expertise to take advantage of changes in public policy, new funding programs and entrepreneurial opportunities.

Goal 6 Protect existing low cost housing – To encourage the protection of existing low cost housing including detached housing, boarding houses, shop top housing, caravan parks, manufactured homes and rural land sharing communities, so that there is no net displacement of low to moderate income residents living in these forms of housing.

Goal 7 Target affordable/ adaptable housing for specific age groups - Increase the supply of affordable and adaptable housing suitable for young families and individuals and affordable and accessible housing suitable for older retired people.

Goal 8 Make better use of underutilised housing – To increase the average household size of existing dwellings, particularly detached housing, by modification to dwellings and programs that encourage forms of house sharing and boarding.

Goal 9 Make better use of underutilised public land, buildings and infrastructure for housing

Goal 10 Innovation – New innovative models for affordable, adaptable and sustainable housing are developed in the Northern Rivers.



Northern Rivers Housing Story 5

Q: How will having affordable housing impact your future?

- “Gives me security, a hand up not a hand out”
- “Spend money and time with family”

Q: What are your future hopes and goals for your housing?

- “Hopefully save enough money to buy my own home”
- “Hoping to own my own home”

(Extract - Tenant’s evaluation of the Clarence Valley Affordable Housing Project)

Monitoring and Review

The Action Plan identifies actions that need to be implemented on an ongoing basis or scheduled to be actioned between 2013 and 2018. The implementation of the Action Plan should be reviewed in 2016 and 2018 to identify any actions that have not been implemented as proposed in the Action Plan. This will trigger rescheduling of actions and amendments to the Action Plan. Monitoring of the successfulness of the actions implemented should be undertaken in 2018. The primary measure of success of the implemented actions is the achievement of housing outcomes.

7. Action Plan

This action plan is structured around the four themes.

- 1) Collaboration, Agreement and Resources.**
- 2) Supportive Local Government Policy and Practice.**
- 3) Investment and Partnership.**
- 4) Innovation and Research.**

Each of the actions in the Strategy:

- Identifies responsible lead agencies and partners;
- Identifies resources;
- Has a recommended timeline; and
- Has a relationship to a strategic goal or goals.

Some actions are colour coded for priority.

Red - Highest Priority

Yellow - Medium to High Priority

Theme 1 – Collaboration, Agreement and Resources

	Action	Lead / Agency Partners	Resources	Timeline	Strategic Goals
1	Strategy Adoption <ul style="list-style-type: none"> Support of Strategy by NOROC and individual councils. 	NOROC & 7 LGAs	Regional Steering Committee	2012 - 2013	1
2	Memorandum of Understanding Demonstrate the commitment to a regional approach by: <ul style="list-style-type: none"> Ongoing resourcing of the Regional Affordable Housing Steering group; and Shared planning approach. 	NOROC & 7 LGAs	Regional Steering Committee	2013	1, 2, 3, & 5
3	Regional Housing Officer Employ a housing officer to facilitate regional approach and the development of affordable housing including: <ul style="list-style-type: none"> Implementation of the Regional Strategy; Liaison with local housing workers; Advocacy at State and Commonwealth Government levels; Embed Affordable Housing Good Practice in Regional Land Use Planning Initiatives (Action 11); Liaison with and development of partnerships with social housing providers and coordination of partnerships to develop regional affordable housing pilot projects; Supporting private development innovation and liaison with regional development industry stakeholders; Identification and coordination of research projects; and Evaluation and monitoring of Commonwealth, State and Local projects and programs. 	7 LGAs NSW Gov. Options <ul style="list-style-type: none"> NOROC employs worker directly Employed by one or more of local councils directly 	7 LGAs matching funds from NSW Gov. & Com Gov. for core funding.	By middle of 2013	1 - 10
4	Briefing Councils and Education Program <ul style="list-style-type: none"> Develop the presentation of the Strategy - background issues, guiding principles, strategic goals and actions; Comprehensive briefing of elected councillors and council officers; and Regional and local workers to develop a program to deliver presentations through a variety of media, including talks, a website and social media. 	NOROC & 7 LGAs	Regional Housing Officer	2013	1

5	Housing Forums – Conduct housing forums within the regional community housing sector and private housing development stakeholders to: <ul style="list-style-type: none"> • Inform and educate about the Regional Strategy; • Seek input into a regional agreements and plans; and • Seek partners in research and pilot projects. 	NOROC, NRSDC. NCCHC, Horizon , CHL, OnTrac, HAI, MBA	Regional Housing Officer	2013	1
6	Local Housing Officers Encourage councils to fund the employment of housing officers to facilitate provision of affordable housing by: <ul style="list-style-type: none"> • Preparation and implementation of local housing strategies; • The education of local communities and councils about affordable housing; • Liaison with and support of local social housing providers; and • Facilitating local partnerships to build affordable housing. 	7 LGAs NSW Gov.	CVC – 1 Officer LCC - 0.6 Officer Other Councils	Ongoing, new Local Housing Officers	1, 3, 4, 5, 6 &10

Theme 2 - Supportive Local Government Policy and Practice

	Action	Lead /Partners	Resources	Timeline	Strategic Goals
7	<p>Northern Rivers Affordable Housing Incentives Package Develop and promote incentives for specific types of affordable housing developments that are consistent with ARH-SEPP, and which might include, subject to appropriate criteria:</p> <ul style="list-style-type: none"> • Reduction, deferred payment or waiver of development contributions and levies; • Rate reductions; • Streamlined development approval, including application of exempt or complying development provisions to some forms of development; and • Matched financial incentives where appropriate from State and Commonwealth Government grants. <p>The three types of development which could be promoted are:</p> <ul style="list-style-type: none"> • Secondary Dwellings • One & Two Bedroom Accessible Dwellings • Shop Top Housing <p>The promotion package could include public forums, a media campaign and promotional materials.</p>	NOROC 7 LGA's	Regional Housing Officer	Lead Project 2013	4 & 7
8	<p>Embed Affordable Housing Good Practice in Regional Land Use Planning Initiatives Work with the proposed changes to ARH-SEPP and new State Planning Policies to achieve good planning practice and a consistent regional approach to encouraging affordable housing development.</p>	NOROC 7 LGAs NSW P& I	Regional Housing Officer	2013 on-going	3, 4, 6, 7 & 8
9	<p>Affordable / Adaptable / Accessible Housing Performance Benchmarks Seek to establish performance benchmarks and development codes, that allow local application and which are consistent with ARH-SEPP and proposals under new State Planning Policies for housing supply and affordability which will:</p> <ul style="list-style-type: none"> • Provide a basis for local and regional assessment of affordable housing projects; and • Be incorporated into all strategies, policy and practice of councils. <p>The establishment of affordable/ adaptable housing benchmarks will be</p>	7 LGA's	Regional & Local Housing Officers	2014 on-going	3, 4, 6, 7 & 8

	<p>considered, including the following:</p> <ul style="list-style-type: none"> • A minimum percentage of allotments for affordable housing in new housing subdivisions and developments; • A system of dwelling density bonuses and offsets to encourage urban infill developments; and • Support or enforcement of a percentage of adaptable housing in new developments; <p>Regional adaptable housing guidelines will be developed to support efforts to meet benchmarks. Also consideration should be given to updating benchmarks in relation to outcomes of pilot and research projects. (See Actions 19 & 20)</p>				
10	<p>Affordable Housing DA Pre-lodgment and Assessment Process</p> <p>Develop a regional framework which enables developers of affordable housing projects to enter into a process of meetings and referral to specialist advice and services. For example:</p> <ol style="list-style-type: none"> 1) Development proposal meeting(s) with council land-use planner/s and local or regional housing officers, to: <ul style="list-style-type: none"> • Advise on how or if a project can meet regional affordable housing benchmarks, • Advise in regard to available specialist development services, and • Advise on Voluntary Planning Agreements and development contributions; 2) Affordable housing pre-lodgment meetings; and 3) Streamlined assessment process for affordable housing projects. 	7 LGAs	Senior Planning Managers of 7 LGAs	2014	4 & 10
11	<p>Innovative Planning Mechanisms</p> <p>With reference to the reform of the planning system, investigate the means to create flexibility in the regional planning system that facilitates local innovative solutions in affordable housing. There are eight suggested areas:</p> <ol style="list-style-type: none"> 1. Active support by councils of development allowable under the ARH-SEPP; 2. Commencing a limited number of pilot projects for local innovative affordable housing, through an expression of interest process; 3. Small lot subdivision with some relaxation on existing development controls; 	Negotiation with NSW P& I	Regional Housing Officer & Strategic Planning managers 7 LGA's	2014	4, 6, 7, 9 & 10

	<p>4. The temporary use of land for affordable housing, under strict criteria;</p> <p>5. Development of suitable rural land for rural rental housing similar to rural landsharing communities;</p> <p>6. Development on land that is adjacent to existing towns particularly land that may traditionally have been subject to large lot subdivision;</p> <p>7. Expansion of existing rural hamlets and villages in some circumstances; and</p> <p>8. New models of integrated caravan parks intended for permanent occupation, designed with supporting services and facilities.</p> <p>The balance of allowing this flexibility should be that developments provide affordable housing and have to demonstrate their merit, particularly to the communities they reside in. Rural or semi-rural proposals may need to meet an additional set of performance standards including:</p> <ul style="list-style-type: none"> ▪ Demonstration of low social and environmental impact including provision of environmentally and socially responsible infrastructure; and ▪ Demonstration that proposals can coexist and not alienate existing zoning and use of the land, specifically high value agricultural or conservation land. 				
12	<p>Local Affordable Housing Funding Mechanisms</p> <p>Explore options with Local and State Government regarding a mechanism for levying special contributions for affordable housing to be considered and developed in the context of the proposed changes to the NSW planning system. Provisions could be through proposed Sub-regional Delivery Plans or Growth Infrastructure Plans, negotiable under Voluntary Planning Agreements, development contributions via monetary contribution, or in kind.</p>	Negotiation with NSW P& I	Regional Housing Officer	2013-2014	1, 2, 5, 7 & 10
13	<p>Mapping of Potential Affordable Housing Assets</p> <p>Councils to establish an affordable housing land register or incorporate into existing land registers, information about properties that could include the following:</p> <ul style="list-style-type: none"> • State and council land and building infrastructure potentially suitable for use and/or development for short, medium and long-term affordable housing; • Private land that may be suitable for low impact or temporary use accommodation such as camping grounds; • Existing public and private affordable housing including detached dwellings; 	7 LGAs DoPIC&L DoFS	Local Housing Officer	2014-2015	6, 7, 8 & 9

	<p>caravan parks, manufactured home estates, boarding houses; and</p> <ul style="list-style-type: none"> Housing possibilities associated with commercial development, in particular shop top housing. 				
14	<p>Protecting Existing Affordable Housing</p> <p>Liaise with State Government advocating the development of a policy which would incorporate a range of measures to protect affordable housing such as:</p> <ul style="list-style-type: none"> Preparation of a social impact assessment should a DA propose to demolish or otherwise remove or cease the use of the land or building for affordable housing; Conditions under which councils may refuse a DA where it is likely there will be a severe and irremediable social impact because affordable housing is removed; and Councils to require mitigation of adverse impacts arising from loss of affordable or low cost housing by contributions, agreements or other arrangements. 	Negotiation with NSW P& I	Local & Regional Housing Officers	2014-2015	6

Theme 3 - Investment and Partnership.

	Action	Lead Agency /Partners	Resources	Timeline	Strategic Goals
15	<p>Regional Development Expertise Organise accessible regional development services to support new affordable housing projects including establishing register of relevant services:</p> <ul style="list-style-type: none"> • Market research of untested housing models; • Economic feasibility assessments of projects; • Brokering development finance; • Writing submissions and government tenders; and • Provide design services related to development of land and infrastructure. 	<p>NOROC</p> <p>Explore option of Landcom providing services</p>	<p>Regional Housing Officer & State and Com. funding</p>	<p>2013-2014</p>	<p>1, 5 & 10</p>
16	<p>Investment Agreement Seek to establish an investment agreement with the NSW Government to increase social housing in the region to same level as the rest of the State over the next 20 years by:</p> <ul style="list-style-type: none"> • Provision of new public housing; • Funding and resourcing the regional community housing sector; and • Mechanism to allow regionally based community housing providers to borrow for development, such as transfer of title to housing stock, which has been suggested as the best way to achieve this in the past. 	<p>Negotiation with NSW Gov.</p>	<p>Mayors & GMs, Regional Housing Officer</p>	<p>2014</p>	<p>1 & 2</p>
17	<p>Government Land Transfer/Use Protocol Seek to establish a land transfer or long-term use protocol with State Government for land that is either under-utilised or no longer needed for original purpose, which may be suitable for affordable housing.</p>	<p>DFS & NOROC</p>	<p>Senior Managers with State Gov.</p>	<p>2014</p>	<p>1, 4, 7 & 9</p>
18	<p>Housing Fund and Land Trust Examine the feasibility of establishing a regionally administered regional affordable housing fund and land trust auspiced by NOROC to fund affordable housing projects by social housing and/or private developers. Sources of funds to support the trust may include:</p> <ul style="list-style-type: none"> • Government grants, • Direct Investment from State Government (see item 9), • Development contributions, and • Philanthropic donations. 	<p>NOROC</p>	<p>Regional Housing Officer & grant funding</p>	<p>2014</p>	<p>4, 7 & 9</p>

Theme 4 - Innovation and Research

	Action	Lead / Agency Partners	Resources	Timeline	Strategic Goals
19	<p>Alternative Housing Market Research Project</p> <p>Research project to explore alternative housing products and markets for new types of affordable housing in the Northern Rivers, that operate (with special titles) at an ongoing discount to regular housing. Project to investigate:</p> <ul style="list-style-type: none"> • International and Australian case studies; • Exploration of various legal and financial mechanisms and how they could be implemented. Options are to include, but not be restricted to the following: <ul style="list-style-type: none"> ○ Community land trust; ○ Leasehold strata arrangements; and ○ Perpetual shared-equity products; • Market research and community consultation of both potential consumers (residents) and potential not-for-profit sector and private developers to see whether these options are viable and supported within this region; • Barriers and solutions within existing NSW State legislation; and • Relationship with new planning system including incorporation into proposed Sub-regional Delivery Plans or Growth Infrastructure Plans. 	AHURI NOROC	Regional Housing Officer; Specialist consultancy services	2014	4, 7 &10
20	<p>Northern Rivers Affordable Housing Innovation Pilots Project</p> <p>Project in four parts:</p> <ol style="list-style-type: none"> 1. Research project looking at international and national innovative affordable housing developments appropriate to a cultural, economic and environment context of the Northern Rivers Region, to be developed as a briefing paper. 2. Engage university sector, particularly graduate and undergraduate architecture, landscape architecture and town planning schools to develop alternative models for development in rural/ regional areas. 3. Develop a scoping brief including a range of possible examples and innovative affordable housing development ideas. 4. Seek expressions of interest within the region to develop innovative pilots for affordable housing, on the basis of the outcomes arising from Actions 11 & 12 	Negotiation with NSW P& I	Regional Housing Officer with Senior Managers	2014	4, 8, 9 &10