

Submission to Regional Housing Taskforce by  
Northern Rivers Joint Organisation  
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## Regional Housing Taskforce Scope:

*The Taskforce will investigate planning barriers and develop recommendations to address regional housing issues with a focus on:*

- *The planning system and other government levers to stimulate housing supply and address housing needs*
- *Removing impediments within the planning system to the delivery of affordable housing types and housing generally*
- *Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs*

The terms of reference: [NSW Department of Planning, Industry and Environment publication \(amazonaws.com\)](https://www.amazonaws.com)

## Who are we?

The Northern Rivers Joint Organisation (NRJO) represents the Ballina, Byron, Kyogle, Lismore, Richmond Valley and Tweed NSW local government areas.

With representation by the mayors and general managers of each Council, NRJO's role is to facilitate and lead advocacy, political representation and cooperative action on matters of regional significance.



Map of NRJO local government areas

### Acknowledgement

*The NRJO acknowledges the traditional owners and custodians of these lands. People who have lived in and derived their physical and spiritual needs from the forests, rivers, lakes and streams of this land over many thousands of years.*

## Northern Rivers Housing Crisis

The trend towards outward migration from cities to regional areas has been steadily rising. Technological advancements allowing for a decentralized workplace were already driving a portion of this migration, however the COVID pandemic has seen this trend rapidly increase.

This region, being an attractive option for metropolitan expatriates, has felt the full effects of this trend, with the resulting supply/demand housing squeeze leading to the displacement of lower paid key workers and other vulnerable demographic groups. Short-term holiday letting in residential areas has compounded the housing supply squeeze, resulting in a perfect storm for Byron Shire and emerging in surrounding local government areas.

In response to the situation, the elected Councils of Ballina, Byron, Lismore and Tweed have declared that their local government areas face an affordable housing crisis.

Appendix A: Background and Context provides further details on the Northern Rivers housing situation.

## Ready to assist

To address the crisis, the NRJO promote recommendations to target addressing supply constraints, expanding housing options, and providing affordable housing for key workers and members of the community who are vulnerable to housing stress.

To assist in delivery of regionally appropriate solutions the NRJO is aided by a Housing Working Group (HWG). The group was set up by the Northern Rivers Local Government Planners Group. Formed to support advocacy and collaboration on innovative solutions to housing affordability and working with Department of Planning, Industry and Environment – Local & Regional Planning Northern Region representation.

It is hoped that solutions proposed in this document can activate the timely rollout of housing solutions for our communities.

## Key Submission messages

1. The factors contributing to the Northern Rivers, and essentially Australian wide housing crisis extends well outside issues with the planning system and local government. To continue with an approach targeted at peripherally tweaking the planning system will NOT resolve the housing crisis.
2. Despite the common rhetorical explanation of high house prices being a simple function of lack of housing supply, the drivers of the current housing situation are more complex and reach far beyond the sphere of local government.

Taking a deeper view, research undertaken by the Australian Housing and Urban Research Institute (AHURI) points to changes in the 'institutional framework' for housing in Australia, which has entrenched a policy framework that appears unable to address housing affordability concerns in a significant way.

These 'institutional factors' include:

- Labour market deregulation has resulted in increases in insecure work through casualisation and wage stagnation making home purchase out of reach of some workers
- Increased workforce participation has increased the purchasing power of two income households, thus raising the minimum income required to compete in the housing market
- Financial sector deregulation that has led to housing sector "financialisation" whereby society has increasingly come to see 'housing more as investment vehicle than shelter
- The emergence of a policy environment that is not conducive to broad based home ownership, with the development of powerful lobby groups representing vested interests which work to protect policies that advantage housing investment over home ownership (such as the significant tax advantages provided for housing investors over homeowners).

These institutional factors need to be addressed to realistically respond to the affordable housing crisis. Focusing on planning system changes alone risks further reinforcing the fundamental problems.

3. Importantly, the financialisation of housing markets combined with a social and economic architecture that encourages property speculation as the pathway to personal wealth (supported through taxation settings, bank lending standards and Government programs) is the key driving factor that needs to be redressed by Government.
4. Recent (and foreshadowed) changes to the developer contribution system are exacerbating rather than helping the situation. Whilst these changes support the development sector (which arguably does not need this support given strong profitability), they undermine the financial capacity of local government to delivery necessary infrastructure and thereby run the risk of compromising efficient and timely development.

Arguments that developer contributions somehow push up house prices bare no relationship to reality and need to be strongly repudiated.

5. The current process for enabling an Affordable Housing Contribution Scheme is onerous on local government and lacks a clear commitment to achieving affordable housing outcomes.

A case in example is Byron Shire Council (SC) progression with an AHCS through the state government. Council has pursued its suite of housing initiatives against the backdrop of State planning legislation, the North Coast Regional Plan, and published DPIE AHCS guidelines. In general, the requirements of Council and the corresponding DPIE assessment path are clearly articulated in published documents. Departing from this framework the Northern Regional Office has refused Gateway assessment of the AHCS until after the Byron Residential Strategy has been finalised.

6. The core responsibility for providing affordable and social housing is with the State and Federal governments and not individual local councils. In this regard the NRJO advise that **Ballina and Byron Councils intend to lodge a submission on Crisis Housing Inquiry by the** Committee on Community Services.
7. The Northern Rivers, whilst regional is on the perimeter of SEQ urban area. Brisbane has won hosting rights to the 2032 Olympic Games and the QLD Pacific Motorway is expanding to be 3 lanes all the way to Tweed Heads. This will likely mean increased demand for people to live, work and travel to the Northern Rivers. The Taskforce should meet with the Border Commissioner to better align housing and infrastructure funding and deliver outcomes between states.
8. Noting that the Taskforce is limited to 'planning barriers' the NRJO puts forward key recommendations focusing within the context of the planning system.

The NRJO is encouraged by the NSW Housing Strategy and the 2021-22 Action Plan and commends the commitment to working with local governments and communities to achieve the NSW Government housing objectives, as well as recognising the unique role of local government in the delivery of housing and achieving housing goals for the community.

The housing initiatives being pursued by our member councils are complimentary to the Strategy and action plan. Specific references to relevant actions are provided in the recommendations of this submission as proposed ways to deliver housing initiatives.

Note: Actions referenced below are as identified in the NSW Housing Strategy Action Plan 2021 - 22. [NSW-Housing-2021-22-Action-Plan-mayv2-2021.pdf](#)

## Recommendations

### **Recommendation 1: Pause for the Northern Rivers the implementation of STRA SEPP - High priority & immediate**

The NSW Government should pause the introduction of the SEPP for the Northern Rivers (NR) until a social impact assessment of Short-Term Rental Accommodation (STRA) has been undertaken, particularly in high tourism coastal regions.

A regional pilot process is recommended to establish a bespoke planning STRA response for the NR prior to the introduction of the SEPP. Government should work with the NRJO – HWG to set a framework that establishes a sustainable and healthy (economic and social) balance between facilitating some NR housing stock to be used for STRA (non- hosted) and ensuring that there is available and secure long term private rental, particularly affordable rental housing.

It is noted that Housing Strategy Action set 2.3 is seeking to review occupancy laws – this information would also be of assistance to this action as it may identify where the occupancy laws could be strengthened to better protect tenants seeking a long-term tenancy.

### **Recommendation 2: Modernise Government housing stock and utilise Government land and surplus buildings- High Priority over next 6 -12 months**

The NSW Government should commit to the delivery of additional affordable housing on State Government and Crown Land. As part of delivery the NSW Housing Strategy Actions 1.3.2, 3.1.1 & 3.13 regarding the Land and Housing Corporation (LHC) portfolio review.

Step 1: Modernise exiting Government housing stock and activate LHC land that could be redeveloped (retained in the ownership of Government, councils or registered CHPs).

Step 2: Prioritise a register of NSW Government land in the NR.

Step 3: Engage with NRJO - HWG to assess this register to determine the best fit housing type and ways to expedited suitable NR Government land into social, affordable or community housing. Ensuring the land is suitable for redevelopment is a crucial step.

Step 4: Ensure if LHC land is suitable for redevelopment that a priority pilot project occurs in the NRs.

Step 5: Support and encourage the Federal Government’s prompt introduction of the CHP funding mechanism for affordable housing projects outlined in the paper titled ‘Delivering More Affordable Housing: An Innovative Solution’ dated May 2021.

### **Recommendation 3: NR Homelessness and Crisis Housing Action Plan**

#### **3 a) Provide NR Councils and CHP with information on NSW homelessness program & how it will be implemented in the NR - High to Medium Priority in next 6 months**

A Government-backed state street count in March found more than 40 per cent of the 1,131 people sleeping rough in New South Wales, were on the North Coast.

- Byron Shire, with 198 rough sleepers, is second only to the City of Sydney Council area with 272 in terms of problem areas.
- Other North Coast locations high on the list include Tweed Shire with 58 people sleeping rough. (*Source - ABC News 8 March 2021*).

The NSW Housing Strategy Action Plan 2021-22 Action 2.6.2 is to partner with LGAs to trial way to facilitate temporary supportive accommodation options for people experiencing homelessness. Action 3.3.2 seeks to reduce homelessness in the state by 50% by 2025. The NRJO request Action delivery program details in particular, direct intervention actions for this region.

The NSW Government needs to take the lead to produce a delivery program on this Action and provide funds to implement.

#### **3b) Identify and fund utilisation of other private buildings - High Priority in next 6 months**

This could involve tapping into the private market by assisting the NRJO – HWG & NR Community Housing Providers (CHP) in an EOI to identify & register private market land/dwellings/other buildings where NSW Government /CHP could take a head lease to provide temporary & social housing including as a stop gap housing whilst LHC sites are being redeveloped.

As a case in example Tweed Shire Council is considering motels - however the Council would not have the funds to purchase or take a long- term lease on these properties. In this instance the NSW Government could provide a deliver program and funding.

This further aided by a fast-track affordable housing assessment process for councils and community housing providers.

Point of note: anecdotal employers are making their own homes available to workers – need to ensure that this does not culminate in fringe benefit tax issues for such employers/ees.

### **Recommendation 4: Support current NRJO LGA housing initiatives - High Priority & Immediate**

As part of delivery as part of NSW Housing Strategy Action 5.1.3 supporting the use of under-utilised land by assisting in the progression of:



- Byron SC Lot 22 planning proposal – Lot 22 DP1073165 Mullumbimby
- Byron SC Tiny house planning proposal – Lot 22 DP1073165 Mullumbimby
- Tweed SC proposal “Smart and Sustainable Village” - Lot 1 in DP1069561, Wardrop Valley Road, Wardrop Valley with NSW Government funds and management to advance the development.

These projects to be advanced by a fast-track affordable housing assessment process and where appropriate infrastructure funding.

### **Recommendation 5: Review the AHCS template appropriateness for regions - High to Medium Priority in next 12 months**

Undertake a review in consultation with the NRJO - HWG of the appropriateness of the current SEPP 70 AHCS template (including means to seek a contribution) in relation to the NR to support delivery of Action 5.2.2 on AHCSs. Furthermore, support progression:

- Byron SC Affordable Housing Contribution Scheme – (currently constrained in delivering due the DPIE refusal to accept a planning proposal submitted in June 2021) – this planning proposal whilst having the capacity to act as a pilot case for other regional councils, is not progressing for reasons unclear to Council. It does not appear to be based on policy or procedures available for review by Council.
- Tweed SC Affordable Housing Contribution Scheme underway and expected to be completed within 2021/22.

### **Recommendation 6: A program to deliver the full spectrum of housing in the Northern Rivers as part of NCRP review - High to Medium Priority in next 12 months**

The North Coast Regional Plan 2036 is under review. The world has moved on since the adoption of this plan – including growth of STRA, increasing use of homes as investment rather than shelter and covid changing work patterns and access to housing etc. The next NCRP needs to:

- deliver a more detailed analysis, projection, and range of housing target scenarios
- to ensure the review entails funding and work to unify Northern Rivers data and analysis information on housing and infrastructure.

The NSW Government must take the lead on this action, and the NRJO recommends the DPIE research the model successfully implemented by the QLD Government in producing a regional planning framework, where the State is responsible for managing the collection and ongoing updates of housing data.

The work, to be undertaken in unison with the NRJO - HWG and local stakeholders who provide and manage residential land and housing such as CHP, should include the following:

- Quantify the pattern of dwelling use in the NR
- Quantify the profile of current and project housing requirements across the NR using the NSW Housing Strategy spectrum
- Relate these aspects to identify where there are:
  - Shortfalls
  - Oversupply
  - Mismatch of residents to housing types
- Within the subsets of the housing spectrum determine options for a housing mix (detached/multi-dwelling etc) etc to set targets by location – short term – long term
- As housing affordability broadly refers to the cost of housing services and shelter – both for renters and owner occupiers – relative to a given individual's or household's disposable income – investigations should help to better understand the relationship to workforce participation including employment opportunities, initiatives, and incentives
- Based on the issues/drivers/ emerging solutions determine the best mechanism to deliver the NSW Housing Strategy' spectrum of housing'. This not to be limited to planning system solutions and to include infrastructure funding and delivery.

The NSW Housing Strategy spectrum of housing and our understanding of the relationship to the planning system is articulated in Appendix A.

### **Recommendation 7: Appraise the impact of land banking and identify options to address - High to Medium Priority in next 12 months**

Not an action identified in the NSW HS Action plan however a significant issue for private land supply in the NR – particularly Tweed and Ballina Shire.

Preliminary suggested measures to address by the HWG include:

- If development delays are due to lack of infrastructure funding, the NSW Government could provide the upfront capital to deliver the infrastructure with the return on their investment being the provision of affordable housing. HWG suggests (subject to viability) the application of 20% of development yield to be allocated to affordable housing in such circumstances.
- Where land banking is not caused by infrastructure funding or planning delays, Government should enable Councils to apply higher Council rate charges on vacant residential land. This would discourage land banking and the additional funds raised could be directed to helping fund affordable housing projects.
- Alternatively, NSW Government could establish a sunset clause on vacant land requiring development to proceed in a timely manner. Where the land development does not meet the set timeframe; the land would revert to rural zoning. This would encourage developers to bring residential lots to the market. Typically, however, strategic urban development

sites are limited due to environmental and infrastructure constraints. Therefore, where the private sector is inhibiting the timely development of land, Government could strengthen compulsory acquisition powers to enable local government or Landcom to purchase such sites and proceed with development. As the main risks associated with greenfield development are regulatory and finance-related, these could be readily managed by Government. Potential conflict of interest issues could be adequately addressed by the establishment of appropriate governance arrangements.

Currently, market-based incentives are proving counterproductive to delivering affordable housing outcomes in greenfield development areas. These perverse market incentives are further exacerbated as land prices rise. The fact that local housing supply is a functional oligopoly supports the argument for increased government intervention to address such market failure.

### **Recommendation 8: Local involvement in housing design guides and delivery of case studies - longer term**

As part of the delivery of NSW Housing Strategy Action set 2.5. – Adaptable housing and developing a unified housing design guide are to be developed. Action 4.4.1 entails developing & release case studies to promote diverse housing that needs the needs of all cohorts.

Whilst supportive of this action, it is considered that the NSW State Government needs to replace the current BASIX system and objectives-based design criteria, with much clearer, stringent ESD outcomes criteria and controls for new developments.

The NSW Government should also work with HWG to include a subtropical and NR design response and case studies for reasons including:

- Increase the acceptance of medium density development, as some community sectors remain resistant to housing other than the detached house and raising issue with character, density, building height and parking.
- The climate changes in this region may warrant a different design response
- Need to engage with the insurance sector (insurance is a growing housing cost)
- Opportunity to look a new means of infrastructure provision to reduce on-going household costs (such as a program to facilitate roof top solar on rental properties to the benefit of tenants)
- Improve acceptance of medium density development by industry – the local housing development sector tends towards the low-risk approach of providing what the market traditionally has demanded (single detached housing) rather than catering to growing demands for smaller dwelling options. Regionally appropriate exemplars are needed to encourage industry to shift towards providing a more diverse housing stock.

## **Recommendation 9: Address NSW Government policy uncertainty and enhance councils' capacity to respond**

NR councils are pursuing housing initiatives in accordance with NSW Government planning legislation, the North Coast Regional Plan, and published DPIE guidelines. These policies outline directions, limits, principles, and guidance for decision making.

Importantly they provide a means to establish uniformity, consistency, clarity and transparency in the process for those directly involved as well as the broader community.

The NRJO understands that policies and procedures may need to be modified and new ones developed for various reasons:

- Response to perceived issues/problems/external circumstances including formal and informal complaints
- Regular review
- Departmental initiative
- Changes to enabling legislation at a state or federal level.

The NRJO appreciates past practice of the NSW DPIE when seeking to modify or introduce regulations and guidelines to:

- draft a scope regarding the change/updated policy,
- seek stakeholder feedback which often involves local government and to a lesser extent the wider community
- review this feed back
- make the policy changes, and
- then implement.

More recently has been the experience of some of the NR councils:

- an apparent absence of understanding by DPIE of council staff capacity – over the last 2 - 3 years councils have been hit by a barrage of NSW Government regulatory change – local strategic planning statements - housing regulation reforms including the low-rise housing diversity code - and more recently employment zone reforms. Timeframes to make submission and update internal document are short with little or no cognisance of the need to report to council and engage with community.
- an increasing need to operate with a small pool of strategic land use planners, due to limited funds and a growing inability to attract additional staff (partly due to the cost of housing). Reforms such as State Regulation to cease compliance levies by the end of 2021 only compound the issue.
- regulation/policy introduced without adequate research, risk assessment and policy rational such as the:
  - low rise medium density code – intended to expedite and intensity housing delivery, yet failed address syncing with infrastructure

- short term rental accommodation SEPP.
- decision making and assessment framework being applied by the Northern Regional Office inconsistent with published guidelines and established practices of the Department. Consequently, when lodging documentation that accords with the guidelines, councils hit a roadblock due to regional policy positions that are divergent, if not inconsistent with the guidelines.

The result has been a lack of clarity for councils and staff burn out. For the community, this adds up to:

- continued expenditure of council limited funds and staff resources on addressing confused and conflicting policy positions rather than focussing on a program that delivers housing
- significant delays
- a shortage of secure homes
- increasing social disruption
- an emerging polarisation between residents and non-resident landowners
- increased business costs and disruption of the local and regional economy.

## Appendix A: Background and Context – Housing in the Northern Rivers

Compiled by: Northern Rivers Planning Group Housing Working Group

### *A1. Why set up the HWG?*

Whilst the primary responsibility for housing policy and housing funding (particularly social housing) lies with Federal and State/Territory Governments, local governments are under increasing pressure to play a role in facilitating housing delivery and retaining existing affordable housing.

Recognising this, the Northern Rivers Council Planners Group at its meeting in September 2020 agreed to establish a Housing Working subgroup (HWG) – comprising Ballina, Byron, Lismore, Kyogle, Richmond Valley and Tweed Council planners - to support advocacy and collaboration on innovative solutions to housing affordability.

The HWG came together in May 2021 to share experiences and broadly map out a path for moving forward to facilitate housing for our communities. Communities of over 254,000 people.

### *A2. Are we taking the necessary steps for us to live, work and play in spectacular and vibrant communities?*

The Northern Rivers is part of the North Coast Region, a State Government declared strategic planning region under the *Environmental Planning and Assessment Act 1979* (the Act). This region extends along the NSW coastline from Port Macquarie to Tweed Heads.

The NSW Government's *North Coast Regional Plan* (NCRP) vision is to be '*the best region in Australia to live, work and play thanks to its spectacular and vibrant communities*'.

The planning for this region is directly influenced by a combination of environmental attributes, strong and highly valued character, proximity to South-East Queensland (particularly its population catchment, infrastructure, and provision of services) and suite of employment anchors (such as Lismore Base Hospital) and enabling infrastructure (such as the Pacific Highway and Ballina-Byron Airport). The collective of these drivers has resulted in strong and sustained population growth, a thriving tourism economy and a 'clean and green' agricultural market and niche. On the surface presenting an enviable position.

The reality is however that for a growing segment of our community, the NCRP vision is becoming increasingly unattainable.

A Housing Crisis has been declared by Byron, Ballina, Tweed, Lismore and Coffs Harbour LGAs.

Disappointingly, endeavours by local government to be more effective in a local housing response are being directly and indirectly constrained by the Federal and State Government policy, institutional and funding framework.

Table A1 below highlights the issues, drivers, and barriers.

Issues	Drivers & Barriers
<ul style="list-style-type: none"> <li>• inability for employers to attract and retain key worker (nurses, medical support staff, teachers and child carers, hospitality and retail workers, artists, and musicians) due to housing crisis</li> <li>• increasing median property prices</li> <li>• increasing median rents</li> <li>• decreasing private rental vacancies</li> <li>• large deficit in available social housing supply</li> <li>• increasing short term rental accommodation (STRA) use take up by property owners</li> <li>• land supply subject to 'drip release'</li> <li>• land supply subject to land banking</li> <li>• rental supply largely private market driven.</li> </ul>	<ul style="list-style-type: none"> <li>• attractive property investment climate with financial incentives and advantages</li> <li>• return of 'ex pats', international and interstate travellers and residents to their homes</li> <li>• tree and sea changers buying up</li> <li>• part time residents aka FIFO city commuters</li> <li>• status quo of State and Commonwealth policy and funding initiatives to incentivise attainable and diverse housing stock</li> <li>• divergent community views on what is, and where affordable housing should be located</li> <li>• local government access to funding to deliver housing and supporting infrastructure.</li> </ul>

Leading from this the following looks at issues in the context of the NCRP and the submission recommendations.

### **Program to deliver a full spectrum of housing appropriate to the NR community with the infrastructure to support. (Recommendation 6)**

The NCRP simply allocates minimum numbers of dwellings for each LGA to deliver by 2036 without considering the profile of our communities:

Even though Ballina, Byron, and Kyogle LGAs are on track with delivery targets embodied within the North Coast Regional Plan 2036, Lismore, and Richmond Valley to a lesser degree but not significant, with Tweed LGA the only one below the annual minimum target by around 200 homes:

- Many households are in rental stress
- Very low to low-income households make up a large portion of our households such as:
  - Byron Shire - 40% of households and of these 60% spend more than 50% of gross household income on rent
  - Tweed Shire low-income households increased by 931 between 2011 and 2016 – 24 %.
- Worker housing needs are not being met with business impacted:
  - Byron Shire survey 2021 - 73% of businesses reported currently experiencing a skills shortage – this is far higher than in 2019 (55%) and for Accommodation and Food Services (i.e., Hospitality) this figure rose to 89%.
  - 42% of respondents reported that the shortages were causing significant negative impacts such as losing customers and missing new business opportunities.
  - 35% of respondents reported that it is equally difficult to fill entry-level positions as it is to find experienced staff, a significant issue that needs to be addressed.
  - Up to 23% of the Tweed's working population cross the border for employment in Queensland each day, while 17% of people working in the Tweed live in Queensland.
- Lismore City Council notes that hospital patients are unable to transition to suitable housing.
- This means a high need to provide both social and affordable rental housing – this is explored more in Section A4

### **Better balance on the quantum of housing used by holiday let (Recommendation 1)**

The NCRP in setting dwelling targets does not account for significant increases in dwellings being used as holiday lets, nor did it foresee the significant growth in its use to provide for visitor nights. The future: by 2030 Byron Shire alone can expect 8.5 million visitor nights if trends continue. Consequently, the real dwelling supply is being reduced by a failure to account for STRA in regional housing projections.

- the now paused SEPP - STRA provisions provide no rationale nor analysis on the implications to NCRP minimum house supply numbers
- there has been a growing quantum of permanent housing stock reassigned to STRA - over last three years in the order of:
  - Byron Shire 260% growth (3515 entire homes)
  - Ballina Shire 219% growth (623 entire homes)
- Byron Shire. of total housing stock 25% is now short-term rental accommodation



- There is a pressing need to manage the effects of holiday letting in residential areas as Median weekly rents are in the order of: Lennox Heads & Mullumbimby \$650, Ballina & Evan Heads \$500, Tweed Heads \$525, and Lismore, Kyogle and Casino between \$330 – \$380 <sup>1</sup>.
- Compared to a national average Median weekly rent of \$395
- Byron Shire to support a case for a bespoke planning proposal response to STRA is required to undertake an EIA (at a cost of over \$100,000 - joint funding by NSW Govt & Council) – given this is the first in depth analysis and that Byron Shire is part of a larger North Coast tourism area, it is logical that the pause should apply for the whole of the NR to allow for provisions tailored to the region's economy and overall housing balance sheets.

**Modernised and add to Government stock & activate private underutilised stock and help CHP with a supply of land (Recommendations 2 & 5)**

- A Government-backed State street count in March found more than 40 per cent of the 1,131 people sleeping rough in New South Wales, were on the North Coast.
- Byron Shire, with 198 rough sleepers, is second only to the City of Sydney Council area with 272 in terms of problem areas.
- Tweed Shire with 58 people sleeping rough <sup>2</sup>.
- Social housing levels are significantly low - Tweed Shire even with only 3% of housing stock as social rental still managed to drop between 2006 - 2016 to only 2.8%
- Ballina, Lismore, and Richmond Valley stand at < 4%, Byron and Kyogle Shires < 2% of housing.
- Ballina public housing is reaching the later stages of economic life with potential for redevelopment and delivery of more appropriate housing
- NR Community housing providers are finding land is limited in supply - Councils are working to support such as the Lismore City Council partnership with a community housing provider to develop land at 44 Bristol Circuit, Goonellabah and guarantee a fast-track DA approval and contributions discount/waiver.
- The Byron Shire AHCS has capacity to supply land and working with CHP over of 200 affordable rental dwellings – the DPIE refuse to accept the Planning Proposal.

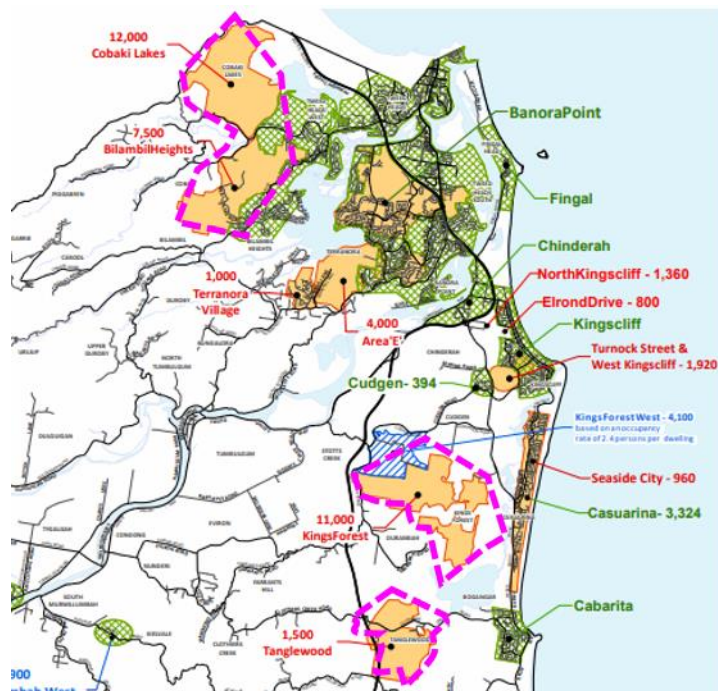
**Activate the supply by addressing land banking &/or market hesitancy (Recommendation 7 & 5)**

*The NCRP Action 22.1 Deliver an appropriate supply of residential land within local growth management strategies and local plans to meet the region's projected housing needs.*

According to the DPIE North Coast Land Monitor, as of FY2016-17, the Northern Rivers Region had a supply of vacant residential land in the order of 3,074 Hectares. At an estimated average development yield of 15 dwellings per hectare, this area could yield approximately 46,110 dwelling units.

Presently Ballina Shire alone has 20-30yrs supply of vacant residential land and Tweed is in a similar situation.

Notwithstanding the large supplies of vacant residential land in some parts of the region, land banking by developers has the practical effect of limiting the supply of vacant housing lots to the market particularly in Tweed Shire.



○ Areas with land zoned but not developed in Tweed Shire

#### Project Viability & Risk Aversion

- Financial feasibility testing undertaken by Ballina Council indicates that project viability for the redevelopment of sites is often compromised by the high residual land price (as a single house site) combined with demolition costs, when considering the degree to which unit prices are discounted in the market compared with detached housing.
- Lismore Council whilst allocated area for medium density housing around the hospital and university it appears there is hesitancy over the financial risk. Single dwellings are seen as the stable and safe “development option”.
- Richmond Valley land is owned by farming families (not developers) high cost of developing the property and the long lead-time and complexities in meeting planning requirements, is a deterrent.

#### Impact on access to housing

- The latest house price figures from CoreLogic show property values on the Northern Rivers have risen more in the past 12 months than any other regional area in Australia, with median house prices in the Byron LGA now exceeding the median price value of Greater Sydney.
- House values in the Richmond-Tweed climbed 21.9 per cent in the 12 months to April, while unit values increased by 15.5 per cent, according to the data. In comparison, house prices in Sydney rose 11.2 per cent over the same period.<sup>3</sup>
- Median sale price Mullumbimby \$885,00, Tweed Heads \$842,000, Ballina \$650,00, Lismore, Kyogle and Casino between \$315,00 – \$380,000<sup>1</sup>.
- National Median sale price –\$485,000

#### **Support local initiatives (Recommendation 4)**

- Council specific Affordable Housing Development Policy accompanied by:
  - Affordable Housing Contribution Scheme (SEPP 70).
  - Planning Agreements (for planning proposal and development application)
- Inclusionary zone provisions (LEP and DCP)
- Land banking sunset clause to activate of land development
- Meanwhile Uses (repurposing vacant buildings, interim use of vacant crown and council lands e.g., road reserves, rail corridors for alternate uses such as short term/transitional residential accommodation)
- Create affordable land holding entities such as the Byron Shire Land Limited to provide a supply of affordable housing in perpetuity.

#### **Embed infrastructure as part of the planning (Recommendation 6)**

- State Government limitations on the contribution value local councils can charge developers for the provision of infrastructure, has not resulted in improvements to housing affordability - NSW Government's foreshadowed reforms to the contributions system only further reinforce these problems
- The broader implications of major infrastructure being considered in greater detail and in advance of the infrastructure delivery such as have been the case with Richmond Valley - impacted by major infrastructure projects such as highway upgrades and the Grafton jail construction and operation, which have increased housing demand for construction workers in the locality, particularly rental.

#### **Unpack employment opportunities and the housing affordability equation (Recommendation 6)**

There are two sides to the equation, but many conversations are centred around provision of housing only. Housing affordability broadly refers to the cost of housing services and shelter – both for renters and owner occupiers – relative to a given individual's or household's disposable income.<sup>4</sup>

- Parts of the NR have a large cohort of the population live from week-to-week on social security payments, the gap between disposable income and cost of housing will never close unless the root issues affecting below average incomes is addressed
- Need to unpack why parts of northern NSW have high unemployment rates and number of households receiving income support,
- Generate ways to establish employment opportunities and initiatives and incentives to be engaged in the workforce.

Sources:

1. <https://www.propertyvalue.com.au/> Accessed 7 and 8 July 2021 & 11 Aug 2021
2. *ABC News 8 March 2021*
3. *CoreLogic April 2021*  
[Housing affordability - Australian Institute of Health and Welfare \(aihw.gov.au\)](https://www.aihw.gov.au/housing-affordability)

### A3 Capacity for the Planning System to resolve?

Typically, councils have not been responsible for developing housing but given the current housing crisis many regional councils, are investigating possible options with State Government entities and community housing providers. The types of housing that councils could have a role in facilitating on its own land are types 3, 4 and 6 in the Spectrum identified in Table A2.

**Table A2: NSW housing Strategy 2041 – Action Plan 2021 -22 Housing spectrum in relation to the planning system**

Housing types by resident need	Explanation	- Relationship to the ‘planning system’
		- Key responsibility to deliver and or support
<b>1. Crisis housing</b>	Emergency temporary accommodation factors such as: * domestic or family violence situation * has custody of children & homeless * natural disasters <sup>1</sup> .	Delivery largely outside the planning system  NSW Government Department of Communities and Justice (DCJ)
<b>2. Social housing</b>	Social housing is secure and affordable rental housing for people on <u>low incomes</u> with housing assistance needs. It includes public, community and Aboriginal housing. <sup>1</sup> .	Delivery largely outside the planning system  Fed: National rental assistance  State: NSW Govt FACs
<b>3. Affordable rental housing</b>	Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. <sup>1</sup> .	Fed: National rental assistance  State: NSW Govt FACs  Private rental where the tenant’s rent is subsidised
<b>4. Private rental</b>	Rental accommodation in the private market even if this rent is subsidised or partly refunded.	Delivery effected by planning system – SEPP enabling STRA

Housing types by resident need	Explanation	- Relationship to the 'planning system'
		- Key responsibility to deliver and or support
	Historical role as a transitional housing sector for households moving into home ownership or social housing to a long-term housing sector for a significant number of Australian households	Private rental market - in the NSW, most private sector tenancies are regulated by the Residential Tenancies Act 2010 (NSW).
<b>5. Supported home ownership</b>	A type of home ownership that can take a variety of forms and largely requires innovative financing arrangements to support the buyer to enter the market. Includes (but are not limited to) shared equity arrangements, rent-to-buy models, and co-living arrangements.	Delivery largely outside the planning system  The equity partner assists by sharing ownership, usually up to 30% of the property.
<b>6. Homeownership</b>	Households who own the property in which they usually reside and have either: - owner with mortgage - owner without mortgage	Delivery effected by planning system
<b>7. Specialist housing</b>	Accommodation designed for unique needs such as housing for people with - disability (including group homes) - older people (such as residential care units)	Delivery effected by planning system under SEPP
	- Vanlife (emerging new form not listed but suggest could fit this category)	Delivery effected by planning system under SEPP

Notes:

1. [SAHF Frequently Asked Questions | Family & Community Services \(nsw.gov.au\)](#)

How is affordable housing different to social housing?

Affordable housing is not the same as social housing. Affordable housing is open to a broader range of household incomes than social housing, Households do not have to be eligible for social housing to apply for affordable housing, though people who are eligible for social housing may also be eligible for affordable housing properties. Environmental Planning and Assessment Act 1979 and State Environmental Planning Policy No 70—Affordable Housing (Revised Schemes): sets

- very low – 50% of median income
- low – 50%–80% of median income
- moderate – 80%–120% median income.

[NSW-Housing-2021-22-Action-Plan-mayv2-2021.pdf](#)

## *A4 Who in our community needs affordable housing?*



### **We are nurses and medical support staff.**

We are part of the highest industry category in Ballina, Byron and Lismore and the second highest in Richmond Valley.

We work at medical centres, aged care, allied health, Ballina District Hospital, Byron District Hospital, Lismore Hospital and travel to Tweed Hospital and Gold Coast Hospitals for work.

We earn, on average, \$73,000 per annum or \$1,400 per week for a registered nurse. A full time equivalent registered nurse on this wage can comfortably afford \$420 per week in rent. 49% of us work full time.

We earn, on average, \$55,000 per annum or \$1,057 per week for an orderly. A full time equivalent orderly on this wage can comfortably afford \$320 per week in rent. 60% of us work full time.

We earn, on average, \$42,700 per annum or \$822 per week for an aged care worker. A full time equivalent aged care worker on this wage can comfortably afford \$250 per week in rent. 40% of us work full time.

Because we often work shift work we usually need a car and cannot rely on public transport. We work outside standard working hours and sometimes rely on after hours child care. We often work at multiple worksites to make up F/T work.

As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina. I may need to travel to larger hospitals and allied health facilities in northern NSW and the Gold Coast for work.





## We are teachers and child carers.

We are part of the third highest industry category in Ballina and Lismore.

We work at child care centres, preschools, long day care centres, public schools, high schools, TAFE and universities throughout the region.

We earn, on average, \$72,500 per annum or \$1,394 per week for a high school teacher. A full time equivalent teacher on this wage can comfortably afford \$418 per week in rent. 76% of us work full time.

We earn, on average, \$70,000 per annum or \$1,346 per week for a primary school teacher. A full time equivalent teacher in this wage can comfortably afford \$403 per week in rent. 65% of us work full time.

We earn, on average, \$58,476 per annum or \$1,124 per week for an early childcare worker. A full time equivalent childcare worker can comfortably afford \$337 per week in rent. 47% of us work full time.

If we work out of our area we are unable to rely on public transport, we usually need a car.





## **We are the hospitality industry.**

We are part of the second highest industry category in Byron.

We work at cafes, restaurants, boutique breweries, hotels, cleaners for house holiday lets and hotels.

We earn, on average, \$21.00 per hour for café staff. Full time equivalent café staff can comfortably afford \$220 per week in rent. 16% of us work full time.

We earn, on average, \$22.80 per hour for a cleaner such as holiday lets or hotel. A full time equivalent cleaner in this wage can comfortably afford \$239 per week in rent. 16% of us work full time.

We earn, on average, \$62,000 per annum or \$1,192 per week for head brewer. A full time equivalent brewer can comfortably afford \$357 per week in rent. 85% of us work full time.

We earn on average \$23.50 per hour for a chef. A full time equivalent chef can comfortably afford \$241 per week in rent. 48% of us work full time.

Because we often work shift work we usually need a car and cannot rely on public transport. We work outside standard working hours and sometimes rely on afterhours child care. We often work at multiple worksites to make up F/T work.



## **We are retail workers.**

We are part of the second highest industry category in Ballina and Lismore and the third highest industry category in Byron and Kyogle.

We work at shops, grocery stores, chemists, hairdressers, butchers, bakeries, hardware etc.

We earn, on average, \$21.00 per hour for retail staff. Full time equivalent retail staff on this wage can comfortably afford \$220 per week in rent. 50% of us work full time.

We earn, on average, \$24.00 per hour for a hairdresser. A full time equivalent hairdresser on this wage can comfortably afford \$252 per week in rent. 51% of us work full time.

We earn on average \$23.50 per hour for a butcher. A full time equivalent butcher on this wage can comfortably afford \$241 per week in rent. 82% of us work full time.

Because we often work shift work we usually need a car and cannot rely on public transport. We work outside standard working hours and sometimes rely on after hours child care.

Most of us work part time, we are all ages, however, many of us are young, single and often in share housing. As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina.



## **We are artists and musicians**

We add to the vibrancy of all communities and are the heart and sole of the creative northern rivers.

We earn, on average, \$30.00 per hour for an artist. A full time equivalent artist on this wage can comfortably afford \$315 per week in rent. 56% of us work full time.

We earn, on average, \$72.00 per hour for a musician. A full time equivalent musician on this wage can comfortably afford \$756 per week in rent. 30% of us work full time.

Because we often work varied hours and locations we usually need a car and cannot rely on public transport. We often work outside standard working hours. Most of us work part time and supplement our income with other work.

As a single person I may be able to afford rent in Richmond Valley, Kyogle or Lismore but I cannot afford Byron or Ballina.

## *A5 What does this mean for a household?*

### **Household example 1 - Sarah and Geoff**

Sarah works part time, up to 24 hours per week at the local pharmacy. Geoff works full time selling solar panels.

Sarah earns on average \$576 per week and Geoff earns a \$65,000 salary. Together they earn \$94,992 per annum or \$1826 per week. They have 1 child at the local public school and live in Kyogle.

They can comfortably afford (30% of income) housing costs of \$547 per week. Current rents for a 3-bedroom house range between \$400 - \$460 per week (2 rentals available).

Repayments of \$547 per week would service a housing loan (at 2.47%) of \$530,000. This level of income can service a loan for any housing in Kyogle where the current lowest 3-bedroom house is for sale at \$365,000.

### **Household example 2 – Jess and Adam**

Jess works full time, as a primary school teacher. Adam works full time as a radiographer.

Jess earns on average \$72,000 per annum and Adam earns a \$75,000 salary. Together they earn \$147,000 per annum. They have 3 children at the local public and high school and live in Byron Bay.

They can comfortably afford (30% of income) housing costs of \$848 per week, however current rents for a 4-bedroom house range between \$850 - \$3,460 per week (5 rentals available).

Repayments of \$848 per week would service a housing loan (at 2.47%) of \$860,000. This level of income cannot service a loan for any housing in Byron Shire where the current lowest 4-bedroom house is for sale at \$1,800,000.

### **Household example 3 – Susie and Graham**

Susie works part time, up to 20 hours per week as a receptionist at the local medical centre. Geoff is a plumber, close to retirement.

Susie earns on average \$520 per week and Geoff earns a \$73,000 salary. Together they earn \$97,960 per annum or \$1,883 per week. They have 3 children and 5 grandchildren and live in Ballina.

They can comfortably afford (30% of income) housing costs of \$564 per week. Current rents for a 3-bedroom house range between \$630- \$700 per week (3 rentals available).



Repayments of \$564 per week would service a housing loan (at 2.47%) of \$555,000. This level of income can service a loan for any housing in Kyogle and Richmond Valley. They could extend themselves to a higher level of debt servicing (35%) for an average housing cost in Ballina of \$645,000. However, access to a 30-year housing loan may be difficult, given their limited remaining working period.

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Sources:

NR Planners HWG Draft Scoping Plan by Planit Consulting Pty Ltd June 2021

Income information for this section <https://www.nationalskillscommission.gov.au/>; <https://www.employmentinnovations.com/>; <https://www.payscale.com/research/AU/Job/>; <https://joboutlook.gov.au/> Accessed 7 and 8 June 2021

## *A6 What does this mean for our communities and good governance?*

Under the *Local Government Act 1993* Section 8 - included in the *Object of principles* is helping enable *'councils to carry out their functions in a way that facilitates local communities that are strong, healthy and prosperous'*.

In the opening message of the Housing Strategy 2041 the Minister for Water, Property and Housing - The Hon, Minister Pavey, recognises that: *'a place to call home is central to our lives. Living in a secure, comfortable and affordable home is important to our wellbeing.'*

By supporting the recommendations outlined in this submission the NSW Government will be working with councils to support, promote and improve communities throughout our state.