



Regional Housing Taskforce Submission August 2021

Dear Taskforce

Since 2016, there have been many resolutions passed by the current Council that have highlighted the need to find a way to address housing availability and affordability in Byron Shire.

However, due to the current state planning framework, and the constraints in which local government operates in terms of finance and partnership options for housing development and its associated infrastructure, progress remains slow on delivery of any of the Council initiated projects.

We commend the Minister for Planning and Open Spaces for setting up the Regional Housing Taskforce to put a spotlight on the housing challenges faced by the councils in the regions, to address the housing needs of local communities in these changing and uncertain times. And welcome the opportunity to collaborate on solutions from the taskforce findings.

Byron Shire Council fully supports the submission made by the Northern Rivers Joint Organisation to the Regional Taskforce and was instrumental in working alongside the other 5 councils in our region to identify the issues that affect us all and solutions/recommendations to address these. Attachment 1.

Council also made a submission to the recent NSW Parliamentary Inquiry into ‘..how to address the social housing shortage..’ A copy is provided as the issues are relevant to the Regional Taskforce terms of reference. See Attachment 2.

This submission is now made on behalf of Byron Shire Council. It talks to our housing crisis, and the despair felt by local community and key workers that have a right to live and work locally and cannot.

The Taskforce's scope extends to investigating planning barriers to housing delivery in the regions and developing recommendations to deliver on same.

It needs to be stressed that removing planning barriers to housing delivery in the regions alone will not fix this systematic and wicked situation. A seismic shift in the way that housing is thought about, planned for, funded, and developed is needed; a full spectrum overhaul.

The primary responsibility for housing policy and housing funding (particularly social housing) lies with federal and state/territory governments not local government. This is frustrating. It has played out in all recent attempts by Byron Shire Council to be effective in providing a local housing response. Our hands have been tied and consequently our acute housing situation is becoming more dire every day.

Byron Shire Council hopes that you give full consideration to our submission and welcomes further engagement with the Regional Taskforce on what we have had to say.

Shannon Burt

Director Sustainable Environment and Economy

Byron Shire Council Submission to Regional Housing Taskforce

Preamble

As stated above, Byron Shire Council fully supports the submission made by the Northern Rivers Joint Organisation to the Regional Taskforce. It is not the intention of this submission to repeat that content.

This submission instead presents the story of us, Byron Shire.

This submission is divided into the following sections.

About us

About our housing situation

About our community and key workers

Business and workers are impacted

Homelessness and at risk of homelessness

Compounding housing stress and short-term rental accommodation use escalation

About our Housing initiatives

Action sought

About us

<ul style="list-style-type: none"> • Projected population by 2036 – 37,950 ¹.
<ul style="list-style-type: none"> • Requiring additional 3,150 dwellings
<ul style="list-style-type: none"> • 74% residents live & work locally
<ul style="list-style-type: none"> • 15% residents are in housing stress
<ul style="list-style-type: none"> • Median weekly household income - \$1,150
<ul style="list-style-type: none"> • Rents increased by 26.4% in last year to \$885 p/w (higher than the median rent in many Sydney suburbs)
<ul style="list-style-type: none"> • Median house price increases in 2020 <ul style="list-style-type: none"> ○ Byron Bay 37% to \$1.68 million ○ Bangalow 24 % to \$1.175 million ○ Mullumbimby 16.6% to \$830,000
<ul style="list-style-type: none"> • Managing 4.5 million visitor nights annually

About our housing situation

<ul style="list-style-type: none"> • Increasing median property prices
<ul style="list-style-type: none"> • Increasing median rents
<ul style="list-style-type: none"> • Decreasing private rental vacancies
<ul style="list-style-type: none"> • Large deficit in available social housing supply
<ul style="list-style-type: none"> • Increasing STRA use take up by property owners and or FIFO workers
<ul style="list-style-type: none"> • Land supply subject to 'drip release'
<ul style="list-style-type: none"> • Land supply subject to land banking
<ul style="list-style-type: none"> • Rental supply largely private market driven
<ul style="list-style-type: none"> • Attractive property investment climate with \$ advantages
<ul style="list-style-type: none"> • Return of 'ex pats', international and interstate travellers and residents to their homes
<ul style="list-style-type: none"> • Tree and sea changers buying up
<ul style="list-style-type: none"> • Housing Crisis declaration – Byron, Tweed, Lismore, Coffs Harbour
<ul style="list-style-type: none"> • Status quo of state and commonwealth policy and funding initiatives to incentivise attainable and diverse housing stock
<ul style="list-style-type: none"> • Divergent community views on what is, and where affordable housing should be located
<ul style="list-style-type: none"> • 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
<ul style="list-style-type: none"> • Housing displacement reported and unreported – many stories of community and key workers falling between the cracks

- New categories of citizens
 - Rough sleepers
 - Car Campers
 - Couch surfers
 - Van Packers
 - STRA nomads

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.



Typical makeshift rough sleeper shelter – location Brunswick Heads

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.

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 further than my local community for work.

-
1. North Coast Regional Plan 2036
 2. NR Planners HWG Draft Scoping Plan by Planit Consulting Pty Ltd June 2021
 3. 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

About our community and key workers

Business and worker impacts

With one of Australia's largest visitor economies, in 2020, the Shire's Gross Regional Product was \$1.85 billion. The Accommodation and Food Services sector had the largest total exports by industry, generating \$208 million in 2019/20.⁴

The Business NSW – early results from the June 2021 Workforce Skill Survey Data showed:

- 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% reported that the shortages were causing significant negative impacts such as losing customers and missing new business opportunities
- 35% 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.

Council and business in our region see that the simple act of offering local workers a choice to reside locally will reduce such barriers. This is crucial for Council and other service agencies to provide effective services and for local businesses to maintain a competitive advantage including an efficient recovery from covid impacts.

Limited housing supply (compounded by holiday letting as discussed in the following section), a general lack of housing diversity and rapid price growth has stretched affordability in the long-term rental market. The Byron Shire long term rental market is characterized by low vacancy rates and high costs, with the impact predominately felt by key workers in the community collecting typically lower wages. Unlike metropolitan areas, there are no neighboring suburbs to provide alternative cheaper housing options within a viable travel distance. Unlike Sydney public transport is also limited.

Compared to a national median weekly rent of \$395.00/week, Byron Shire's median weekly rents are:

- Bryon Bay \$1100/week
- Mullumbimby \$650/week
- Ocean Shores \$700/week.

Neighbouring local government urban area median weekly rents that are within a 30-minute drive of Byron Bay (our Shire's main work destination zone) are Lennox Heads \$650/wk. and Ballina & Tweed Heads \$500 - \$525/wk. Extending further, neighboring LGAs over an hour drive (on a rural standard road) from Byron Bay are- Lismore, Kyogle and Casino with rents between \$330 – \$380/wk. ⁵ It is however not just the cost, affordable product availability for very low to low incomes is extremely low if nonexistent. ⁶

Women are being disproportionately affected. In 2016, women made up 63.5% (3,918) of the workers in the top four employing industries in Byron Shire - Accommodation and food services, Healthcare and social assistance, Retail trade and Education and training. Of female workers in these top four employing industries, 41.6 % earned less than \$650 per week. By comparison, 36.3% of all male workers in these industries earned less than \$650 per week. ^{4/7}.

Homelessness and at risk of homelessness

A government-backed street count in March 2021 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 rough sleepers.
- Other North Coast locations high on the list included Tweed Shire with 58 rough sleepers (third on the list) and Lismore with 48 sleeping rough (fifth on the list). ⁸

Social housing levels are significantly low in the Northern Rivers region. Tweed LGA 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 LGAs have < 4% and Byron and Kyogle LGAs < 2% of social housing. ⁹ Limited land supply compounding issues for Northern Rivers community housing providers.

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. ¹⁰.

With parts of the Northern Rivers having a large cohort of the population living from week-to-week on low pay, insecure and casual jobs or 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. As an example, the percentage of Byron's workforce age population on jobseeker and youth allowance, continues to rise from 8.1% in March 2019 to 8.6% in March 2020 to recently 11.7% in June 2021. ¹¹ Furthermore there is an overall, major difference between the workforce in Byron Shire and NSW in that more people work less hours than the state average (2016 data). Byron Shire has:

- a larger percentage of local workers who worked 1 hour - 15 hours (16.8% compared to NSW 10.8%)
- a larger percentage of local workers who worked 25 hours - 34 hours (17.1% compared to NSW 10.5%)
- a smaller percentage of local workers who worked 35 hours - 39 hours (14.5% compared to NSW 19.1%)
- a smaller percentage of local workers who worked 40 hours (14.5% compared to NSW 20.0%) ¹².

Consequently, Byron Shire Council being at the forefront of local homelessness issues, is taking a multi-faceted approach:

- Caring for people and supporting them to connect to temporary housing outside the Shire; currently facilitates the only temporary option for women and children escaping domestic violence.
- Working with the business community to generate ways to establish employment opportunities and initiatives and incentives, help people to engaged in the workforce and increase participation rates, and hence lower the number of households receiving income support.
- Pursing planning and development solutions through our housing initiatives and other community development programs.

Compounding housing stress and short-term rental accommodation use escalation

The North Coast Regional Plan 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 can expect 4.5 million visitor nights/year if trends continue ¹³. The now paused SEPP - STRA provisions provided no rationale nor analysis of these implications to house supply and access by long-term residents.

The quantum of housing stock reassigned to short-term rental accommodation (STRA) over the last three years has escalated in the order of:

- Byron Shire 260% growth (3515 entire homes)
- Ballina Shire 219% growth (623 entire homes).

With some 25% of Byron Shire's total housing stock now STRA there is a pressing need to manage the effects of holiday letting in residential areas.¹⁴

The latest house price figures from CoreLogic¹⁵ 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 Shire 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.

Compared to a national median house price of \$485,000, Byron Shire's median house prices are:

- Byron Bay \$2.6m
- Mullumbimby \$885,000
- Ocean Shores \$900,000,
- Bangalow \$1.4m⁵.

Neighboring local government urban areas median house prices are: Tweed Heads \$842,000, Ballina \$650,000 and Lismore \$420,000, Kyogle and Casino between \$315,000 – \$380,000.

The rate of housing stress among renting households in all relevant income groups in the Byron Shire is far higher than average for the rest of NSW:

- Very low income – 85% compared to 77%
- Low income – 80% compared to 59%
- Moderate income – 71% compared to 31%.

This is due to the very high cost of rent compared with most other regional areas of NSW, and the fact that the percentage of low-income earning persons (\$500 - \$649/wk) is higher than Regional NSW and NSW in general.¹⁶

4. [Economic profile | Byron | economy.id](#)

5. <https://www.propertyvalue.com.au/> Accessed 7 and 8 July 2021 & 11 Aug 2021

6. Byron Shire SEPP 70 Affordable Housing Contribution Scheme analysis by Judith Stubbs & associates of domain.com.au 3 January 2020 data

7. [Home | Byron Shire | Community profile \(id.com.au\)](#)

8. ABC News 8 March 2021 & [Technical-paper-NSW-Statewide-Street-Count-2021.pdf](#)

9. [Housing tenure | Byron Shire | Community profile \(id.com.au\)](#)

10. [Housing affordability - Australian Institute of Health and Welfare \(aihw.gov.au\)](#)

11. [JobSeeker | Byron Shire | Community profile \(id.com.au\)](#)

12. [Local workers hours worked | Byron | economy.id](#)

13. Byron Shire Tourism Forecasts (Covid Revision 1.0); Peter Valerio, July 2020.

14. [analysis is based on data from AirDNA 2019-21](#)

15. CoreLogic April 2021

16. ABS (2016) Census.

About our housing initiatives

Byron Shire acknowledges that the traditional way to deliver housing policy and development is through:

- State and Regional Plans
- Local Housing Strategy
- Statutory response through LEP and DCP
- Monitor land supply and demand and plan servicing around orderly growth to meet population and dwelling targets (NCRP)
- Provide incentives to encourage development:
 - Fee/contribution waivers
 - Fast track Planning proposals and Development Application assessment services
 - Development standard and planning control variations.

However, issues remain - supply/demand are market driven, and land development/release is controlled by the landowner/developer.

This appeared to be the starting point for the Regional Taskforce discussions held recently via the online engagement.

Due to Byron Shire's compounding set of circumstances, the traditional way is no longer effective for us.

In March 2021, Byron Shire Council finally declared a housing emergency.

Foreseeing this, Byron Shire Council had already been working proactively with the community, to deliver a housing program aimed at addressing supply constraints, expanding housing options, and providing affordable housing for key workers and members of the community who are vulnerable to housing stress.

The initiatives being pursued by Council since 2016 are many and are complimentary to the now endorsed NSW Housing Strategy Action Plan 2021-22.

Our current initiatives are summarised below:

- a) Providing a housing delivery framework tailored to our community in the Byron Shire Residential Strategy (adopted December 2020).
- b) Adopting an Affordable Housing Contribution Policy to provide a framework to facilitate, provide and manage affordable housing contributions in our Shire. It provides a mechanism to secure land and or monetary contributions to deliver affordable housing on certain land identified in the Residential Strategy. (adopted August 2020).
- c) 2021, preparing and submitting to the DPIE a SEPP 70 Affordable Housing Contribution Scheme (AHCS) and Planning Proposal to detail how, where, and at what rate development contributions can be collected by council for affordable housing. First regional LGA to do so.
- d) 2021, following an earlier investigation into alternate governance models for housing delivery, Council resolved to seek approval of the Local Government Minister to establish a Land Trust Entity under the Local Government Act. First LGA in NSW to do so.

- e) 2018, preparing and submitting a Planning Proposal (V1 and V2) to rezone and reclassify part of Council-owned land at Lot 22 (DP 1073165) Stuart Street, Mullumbimby to provide for additional tailored and bespoke residential development for our community including transitional supported, diverse, and affordable stock.
- f) 2018, preparing and submitting a Planning Proposal under a LGA specific Ministerial Direction to manage the effects of 'holiday letting' by imposing a differential day cap on unhosted holiday let accommodation in our residential areas to reclaim these as homes. Only LGA in NSW to have this Ministerial Direction.
- g) 2018, preparing and submitting a Planning Proposal for 'Tiny Homes' development on Council land to pilot the provision of transitional supported accommodation in response to our housing shortage and local homelessness crisis.
- h) Looking at meanwhile use opportunities on Council, other Government and private buildings and lands for short term / transitional supported residential accommodation.
- i) Establishing relationships and building partnerships with housing providers like Landcom and Community Housing Organisations to support and or undertake joint venture developments for housing.

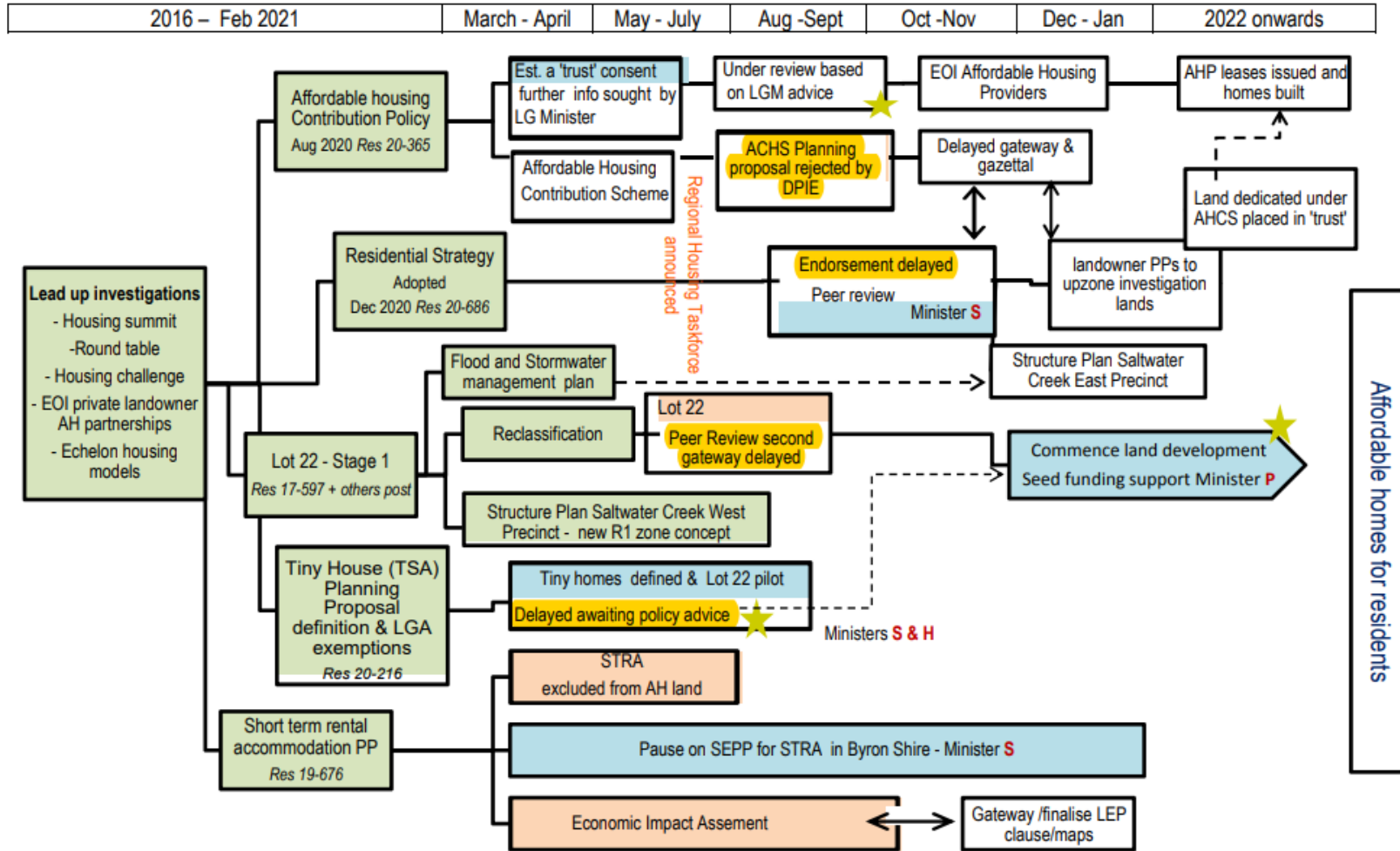
More details and background information on each of the above initiatives can be found here:

[Housing Affordability Initiatives - Byron Shire Council \(nsw.gov.au\)](https://www.nsw.gov.au/housing-affordability-initiatives-byron-shire-council)

The diagram below shows the progress made on each initiative to date and the planning barriers or other that have impeded success to date.

- Council progressed
- Matter for discussion with DPIE Delays
- Request of a Minister - **S** = Minister Stokes **H** = Minister Hancock **P** = Minister Pavey
- ★ Seed/pilot project funding opportunity for State govt. to be involved in housing delivery

The big picture



Just this year, there have been multiple submissions to, and meetings with the DPIE about these projects without resolution; and advocacy direct to various Ministers on same to no avail. This is as disappointing as it is frustrating given the ongoing media coverage of our housing crisis. Some examples follow:

[Banning Airbnb and shipping in portable homes considered as housing crisis bites in coastal towns - ABC News](#)

<https://www.abc.net.au/news/2021-03-01/rental-housing-crisis-in-byron-bay-worsens/13179236>

<https://www.theguardian.com/australia-news/2021/may/29/hollywood-and-homelessness-the-two-sides-of-byron-bay>

<https://www.smh.com.au/national/nsw/how-a-perfect-storm-of-covid-19-influencers-and-airbnb-created-byron-bay-s-housing-crisis-20210422-p57lmw.html>

<https://www.abc.net.au/news/2021-04-09/byron-bay-housing-emergency-council-establishes-land-trust/100057680>

Housing Affordability Stress Definition: When a household is in the bottom 40% of income distribution and spends more than 30% of household income on rent or mortgage payments, adjusted for household size, they are considered in housing stress. (Australian Housing and Urban Research Institute, 2019)

To put it simply, the stalled progress of our initiatives is resulting in significant missed opportunities on the ground:

- If AHCS fails – potential loss of 110 affordable housing dwellings (attained via private landowner development)
- If Lot 22 fails – potential loss of 100 affordable housing dwellings (attained via development of Council owned land)
- If STRA fails – potential loss of over 3500 long term rental dwellings
- If 'Tiny Homes' (supported transitional housing) fails – potential lost opportunity to provide shelter, security and support to those sleeping rough in Byron Shire.

Actions

So where to from here? Byron Shire Council strongly advocates for the following recommendations to the Minister.

Recommendation 1- Planning moving away from a one size fits all standard SEPP and LEP framework

The state government provides regulations, guidance, tools, and general information to assist local government to undertake planning for their local area. However, too often these have been crafted with a metropolitan focus. Consequently, when it comes to application by a regional council there is an implementation disconnect.

To make the most the planning system, one that is efficient and effective when it comes to reflecting the government's priorities to stimulate housing supply - including affordable and social housing needs, the standard instrument LEP would benefit from a focus more strongly centred on outcome base planning.

Zoning and land use options need to reflect and respond to the characteristics of the land and the local area. Grounded on sound evidence underpinning an outcome of supporting liveable communities.

Planning is a complexity of layers and local government should be able to choose to use overlays or locally specific provisions, such as local plans, to integrate state interests as articulated in SEPPs or regional plans, to advance regional interests, and identify and consider local interests. Local governments need to be able to take into consideration the local nuances such as:

- small rate base
- infrastructure funding, delivery, and economic rationale for example the absence or practicality of public transport in regional areas
- greater distances between villages and towns
- economies that may be reliant on only a few key industry sectors.

This would enable innovative housing proposals to be expediently considered on their merits – assessed against their ability to deliver on and enhance the housing outcomes relevant for an area and its community.

Recommendation 2- Partnerships enabled to lever local housing opportunities with others

Byron Shire, like many other regional councils, is called upon to provide a broader range of services than urban counterparts, often services that are usually provided by other levels of government. To provide these services partnerships may need to be forged to enable and enhance our skill base and financial capacity. These collaborative relationships with other service and housing providers are a critical next step to successfully developing and implementing a diverse and innovative range of local housing given the current crisis. A review of the planning framework is required to identify, understand, and redress impediments (administrative and legislative) to local government in partnering with both government and not-for profit organisation in the delivery of housing.

Recommendation 3- Pilots programs rolled out now to instil community confidence in local housing delivery

Council is proactively seeking to trial and pilot new and different ways to deliver housing on the ground. With several projects already endorsed by Council and generally supported by our community, their progression would generate success stories, help set models for more broader regional application, aid in improvements to the overall planning system and most importantly see affordable housing being delivered to house our community. Example of our projects currently delayed or stalled have been given in this submission already.

Attachment 1

Submission to Regional Housing Taskforce by
Northern Rivers Joint Organisation
August 2021

For further information on this submission please contact:

Executive Officer: Nicole Reeve
0427 668 860
execofficer@northernriversjo.nsw.gov.au
www.northernriversjo.nsw.gov.au
PO Box 146 LISMORE NSW 2480



NORTHERN RIVERS JOINT ORGANISATION

Phone 0409 558 758
Email admin@northernriversjo.nsw.gov.au
Web www.northernriversjo.nsw.gov.au
Post PO Box 146, Lismore, NSW 2480
ABN 68 587 813 167

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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"> • 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 • increasing median property prices • increasing median rents • decreasing private rental vacancies • large deficit in available social housing supply • increasing short term rental accommodation (STRA) use take up by property owners • land supply subject to 'drip release' • land supply subject to land banking • rental supply largely private market driven. 	<ul style="list-style-type: none"> • attractive property investment climate with financial incentives and advantages • return of 'ex pats', international and interstate travellers and residents to their homes • tree and sea changers buying up • part time residents aka FIFO city commuters • status quo of State and Commonwealth policy and funding initiatives to incentivise attainable and diverse housing stock • divergent community views on what is, and where affordable housing should be located • local government access to funding to deliver housing and supporting infrastructure.

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 ¹.
- 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 ²
- 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.

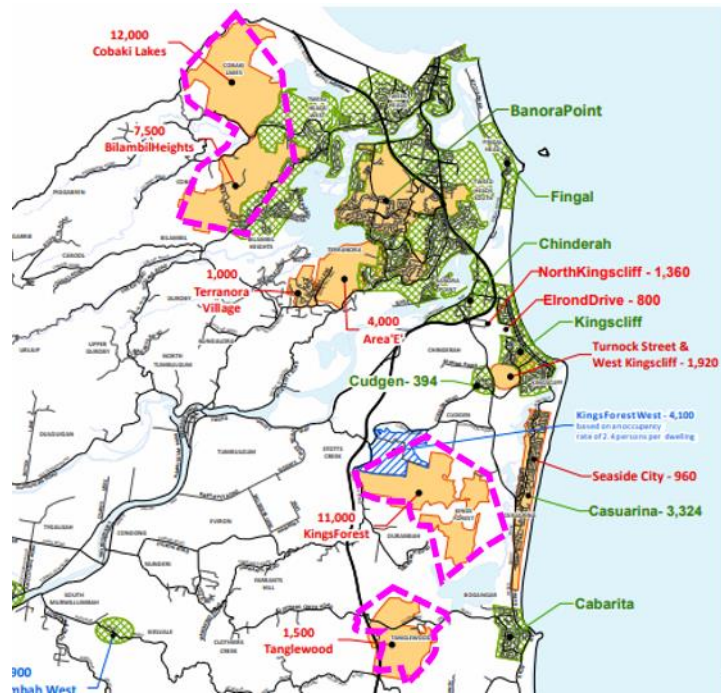
Activate the supply by addressing land banking &/or market hesitancy (Recommendation 7 & 5)

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.³
- Median sale price Mullumbimby \$885,00, Tweed Heads \$842,000, Ballina \$650,00, Lismore, Kyogle and Casino between \$315,00 – \$380,000¹.
- 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. ⁴

- 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/health-conditions-and-injuries/prevention/affordable-housing/)

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	<ul style="list-style-type: none"> - Relationship to the ‘planning system’ - Key responsibility to deliver and or support
1. Crisis housing	Emergency temporary accommodation factors such as: <ul style="list-style-type: none"> * domestic or family violence situation * has custody of children & homeless * natural disasters ¹. 	Delivery largely outside the planning system NSW Government Department of Communities and Justice (DCJ)
2. Social housing	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. ¹ .	Delivery largely outside the planning system Fed: National rental assistance State: NSW Govt FACs
3. Affordable rental housing	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. ¹ .	Fed: National rental assistance State: NSW Govt FACs Private rental where the tenant’s rent is subsidised
4. Private rental	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	<ul style="list-style-type: none"> - 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).
5. Supported home ownership	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.
6. Homeownership	Households who own the property in which they usually reside and have either: <ul style="list-style-type: none"> - owner with mortgage - owner without mortgage 	Delivery effected by planning system
7. Specialist housing	Accommodation designed for unique needs such as housing for people with	Delivery effected by planning system under SEPP
	<ul style="list-style-type: none"> - disability (including group homes) - older people (such as residential care units) 	
	<ul style="list-style-type: none"> - 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 \(nsw.gov.au\)](https://www.nsw.gov.au/sahf-frequently-asked-questions)

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.

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.



Attachment 2

NSW LEGISLATIVE ASSEMBLY COMMITTEE ON COMMUNITY SERVICES' INQUIRY INTO

OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE

SUBMISSION FROM BYRON SHIRE COUNCIL

AUGUST 2021



Acknowledgement to Country

Byron Shire Council recognises the traditional owners of this land, the people and the wider Bundjalung Nation, Arakwal people, the Widjabal people, the Minjungbul people and the wider Bundjalung Nation.

We recognise that the most enduring and relevant legacy Indigenous people offer is their understanding of the significance of land and their local, deep commitment to place.

The Council respect and embrace this approach by engaging with the community and acknowledging that our resources are precious and must be looked after for future generations.

Byron Shire Council welcomes the opportunity to respond to the Legislative Assembly Committee on Community Services' Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage.

Housing - where does local government fit in?

In Australia, housing policy has not been the traditional domain of local government. While councils have a strong role in setting and implementing planning controls, they have not typically been involved in broader aspects of housing policy, which has been the responsibility of the Commonwealth and State Governments.

Commonwealth and State Government legislation and policy directly influence the provision and cost of housing in Byron Shire.

Commonwealth policy has a major influence on housing supply and demand, through economic investment and the setting of economic policy, taxation policy, pension benefits, immigration levels, and residential aged care, which in turn influences interest rates, income levels and employment.

The State Government sets planning policy, which influences housing provision, through the New South Wales Planning Provisions, including the State Planning Policy Framework and the suite of zones, overlays and other planning controls that are made available to Councils as part of their local environmental plans. State Government is also responsible for the provision of social housing and enabling community housing providers through transferral of housing management/ownership.

Typically, Councils have not been responsible for developing housing but given the current housing crisis, many, like Byron Shire Council, are investigating possible options with state government entities and community housing providers.

Byron Shire Council submission and recommendations

This submission addresses the Committee inquiry into and report on options to improve access to existing and alternate accommodation in order to help address the social housing shortage in NSW, with particular reference to:

- a) *options to better support 'meanwhile use' (temporary -supportive accommodation), and the current major planning barriers to 'meanwhile use'*
- b) *options to improve access to existing accommodation to provide community housing*
- c) *options for crisis, keyworker and other short-term accommodation models*
- d) *barriers to additional supply across NSW, including for smaller non-CHP housing providers*
- e) *support for and accountability of registered community housing providers.*

Items b) & e) are not within scope of our submission. The following submission offers response and recommendations regarding items a), c) and d).

Byron Shire Council's response to the Terms of Reference is as follows:

a) options to better support 'meanwhile use' (temporary -supportive accommodation), and the current major planning barriers to 'meanwhile use'

Context

Byron Shire Council welcomes Action 2.6.2 of the *NSW Housing Strategy Action Plan 2021-22*. This action commits the State government to partner with local government to trial ways to facilitate temporary supportive accommodation options for people experiencing homelessness.

The core responsibility for providing affordable and social housing is with the State and Federal government and not individual local councils. However, given the housing crisis, Byron Shire Council (alongside other Northern River Councils), is seeking to support the State by providing additional temporary housing through 'tiny home' villages/relocatable home parks and caravan parks.

The fundamental barrier for Councils to be able to assist in this way is that planning policy and guidance remains bereft of a well-defined 'meanwhile use' policy approach due to the following issues:

- current planning system definitions and permissibility are often ill-suited, leading to delays and planning impediments;
- appropriate unconstrained and well-serviced sites are inherently in short supply in the Northern Rivers region;
- there are difficulties in ensuring such facilities are temporary in nature and do not become a long-term (sub-optimal) "solution";
- the provision of such housing solutions needs to be provided with appropriate, adequately funded support services, which State and Federal Government appear reluctant to invest in, resource or provide; and
- private sector (profit driven) models have the potential to further reinforce social disadvantage and lead to exploitation of residents for regulatory arbitrage (to gain planning outcomes).

Innovative initiatives, such as Byron Shire Council's tiny house project in Mullumbimby, remain inactivated as they are stalled in a lengthy planning proposal process.

We have seen instances where the NSW government has acted quickly in response to crisis. Important precedents include how the NSW government sought to prioritise amending the *Affordable Rental Housing SEPP (ARHSEPP) 2009* to recognise 'short term rental accommodation' as a practice of homeowners and expeditiously set regulations to enable and manage it; and the changes to *Infrastructure SEPP 2007- Hospitals* that were made to improve the delivery of critical

infrastructure projects when seen as essential to the health and wellbeing of NSW communities and to support growth in the local economy, particularly those affected by recent bushfires and the impact of COVID-19.

Further, it is our view that *ARHSEPP 2009* could be expediently amended to recognise low scale 'meanwhile uses – critical shelter'. 'Meanwhile uses' are a sought-after practice by landowners of under-utilised land and buildings and a practical avenue to provide critical temporary supportive accommodation under the umbrella of community infrastructure for:

- domestic or family violence situations
- homeless people (with prioritisation of homeless people with children)
- natural disasters.

It is a practice with capacity to provide both tangible outputs and intangible benefits. The report *Meanwhile Use for London*, authored by ARUP for the Greater London Authority in November 2020 (link provided below), provides useful research and case studies on the opportunities that come with its support.

Source: [Meanwhile Use for London Final Draft - Copy.indd](#)

To quote this source (p78): *There are many opportunities to create a more meanwhile-friendly approach to planning; one that is more pro-active to responding to meanwhile opportunities and in establishing a meanwhile narrative within the wider planning policy context. There are opportunities that exist within the existing framework which could lead to 'quick wins' in addressing some current challenges, as well as opportunities in the longer term.*

In this context the following recommendation is made:

Recommendation 1: That the State Government takes a lead to activate a 'meanwhile use – critical shelter' housing model with allocated funds towards delivery. High priority – in next 3 months.

The model should be delivered in two phases and underpinned by a guideline:

1. Phase 1 - Council land 'meanwhile use - critical shelter' activation to:
 - establish a new definition of a 'meanwhile use – critical shelter' independent to and in addition to caravan parks and primitive camping grounds;
 - ensure the State government will provide funding to enable Councils to activate and facilitate meanwhile use on local government-owned or -managed land, under set guidelines.

The meanwhile use activation potentially enables the following:

- a complying development pathway where a 'plan of management' supports the use such as is the case for Lot 22 in Mullumbimby;
- a development application pathway where not identified in a plan of management;
- where the land has Native Title implications, to work with Local Aboriginal Land Councils (LALCs) or relevant representative bodies to identify avenues to provide

culturally appropriate temporary dwellings to be allocated for the traditional owners, and working towards closing the gap.

2. Phase 2 - CHP and private lands 'meanwhile use-critical shelter' activation to:
 - direct the State to work with LGAs to create a database of sites and underused/ vacant buildings with community groups and other stakeholders expressing interest in meanwhile uses;
 - enable Councils to impose conditions that require/enable developers to deliver meanwhile uses on the site or in a building – possibly by a short-term lease at a peppercorn rent to CHP (this is important to ensure the property is professionally managed and maintained) until such time as the development site is to ready for a permanent or staged development;
 - promote existing and develop new funding streams to activate these sites – noting that regarding *meanwhile use – critical shelters*:
 - providers are often charities/not for profit
 - may be perceived as unsustainable structures due to their time-constrained nature, so securing capital is challenging.

3. A Guideline for Critical Shelter best practice be provided by the State. This guide could set outcomes and requirements for a meanwhile use critical shelter project such as directions to:
 - explicitly address local socioeconomic and sustainability challenges;
 - establish a clear link between short-term meanwhile initiatives and long-term housing policy delivery priorities. Meanwhile uses are not to be viewed as a remedy in themselves, rather they are to provide effective entry points into secure housing. Transition to permanent accommodation from these sites will be problematic without broader systems reform, therefore meanwhile initiatives are not a substitute for systemic solutions to the failure of our housing market to deliver long term affordable housing in the rental sector;
 - utilise modern methods of construction which can easily be disassembled and reassembled in other vacant sites, continuing the legacy of the project;
 - establish a set of main issues for considerations such as but not be limited to:
 - Principle of Development
 - Urban Design
 - Amenity
 - Transport
 - Refuse
 - Inclusive design
 - investigate whether site and buildings could be identified as 'transitional urban sites' in a Development Control Plan schedule (with a linked to a 10.7 certificate notification requirement); and
 - provide a list of grounds where a site cannot be used for such purposes – i.e. the approach should be inclusive and operate under the assumption that every urban

site has potential unless there is an environmental, safety or accessibility, servicing or other specific issues that render it inappropriate.

c) options for crisis, keyworker and other short-term accommodation models

Crisis accommodation

Context

According to Street Counts conducted by the NSW Department of Communities and Justice (2021) Byron Shire LGA has the second-highest number of people sleeping rough in the state, second only to the City of Sydney. There is no crisis accommodation available in the Byron Shire for people experiencing homelessness, and these numbers are rising.

Given the absence of state-supported Emergency Accommodation and the salience of this issue in our shire, Byron Shire Council has passed a number of resolutions to address the urgent need for local crisis accommodation. Proposed initiatives include:

- Van packer accommodation
- Emergency accommodation in caravan parks
- Emergency accommodation in unused student accommodation

Despite these varied proposals, Council as recognised that it is vital that any options for crisis accommodation be provided in a coordinated manner, including adequately funded support services and housing providers. This is in recognition of the acute vulnerability of individuals and families during these periods of crisis, and the need for appropriate, experienced providers to help support people into longer-term options. Appropriate planning, time and resources will be required to establish a safe temporary space for individuals and families and will include at a minimum co-design and co-management by appropriate support services and agencies.

The numbers of people and families experiencing homelessness continue to rise in our Shire, with Council declaring a Housing Crisis in March 2021. Neighbouring Councils have proceeded to declare Housing Emergencies in Tweed and Lismore LGAs. There is an urgent need for a nationally-recognised definition of 'Housing Emergency, and international precedents could inform this functional definition. By defining the housing crisis as an 'emergency', with persons requiring 'emergency shelter', Councils can draw upon best practice in emergency planning and responses such as the *Preferred Sheltering Practices for Emergency Sheltering in Australia* (Australian Red Cross, 2014). There is an opportunity for Councils to facilitate an adequately planned/resourced multi-agency response to ensure better community outcomes and safeguard the public health, safety and welfare of these particularly vulnerable groups.

In this context, the following Recommendation is made:

Recommendation 2: That the State government immediately review locations of state-provided Emergency Accommodation and amend legislation to assist in the provision of emergency accommodation for persons affected by Housing Emergencies. Urgent priority – within 3 months.

This recommendation has two parts:

1. NSW Department of Communities and Justice to review location of current emergency crisis accommodation and:
 - ensure locational provision of emergency crisis accommodation be based upon statistical evidence of homelessness/rough sleeping; and
 - consider locationally-specific barriers related to accessing emergency accommodation, including lack of public transportation and disparate location of support services for vulnerable groups in regional areas.
2. NSW Department of Planning, Industry and Environment to make amendments to the *Local Government (Manufactured Homes Estates, Caravan Parks, Camping Grounds and Moveable Dwellings) Regulation 2005* to allow for the provision of emergency accommodation for persons affected by Housing Emergencies (as declared by Local Councils).

It is noted that this legislation was [recently amended](#) to support the housing needs of people affected by bushfire events. It is proposed that the legislation be further amended to include Council-declared Housing Emergencies. This addition would allow for:

- extended stays in caravan parks or camping grounds (up to two years without the need for council approval);
- installation of movable dwellings on land without council approval for up to two years.
- councils' modification of conditions for camping grounds in designated large public spaces, giving councils the flexibility to modify conditions to which a primitive camping ground is subject.

Key worker and other short term accommodation models

Context

Since 2016, there have been many resolutions passed by the current Council that have highlighted the need to find a way to address housing availability and affordability in the Byron Shire.

However, due to the current state planning framework, and the constraints in which local government operates in terms of finance and co-investment options for housing development and its associated infrastructure, progress remains slow on delivery of any of the Council-initiated projects.

Council has adopted a Residential Strategy and policy framework and has an innovative housing initiatives program to address our housing crisis, which has now been stalled/delayed by the DPIE. See: [Housing Affordability Initiatives - Byron Shire Council \(nsw.gov.au\)](https://www.nsw.gov.au/housing-affordability-initiatives-byron-shire-council)

Just this year, there have been multiple submissions to and meetings with the DPIE about these projects without resolution; and advocacy direct to various Ministers on same have all been to no avail. This is as disappointing as it is frustrating given the difficult experience of many residents and the current media coverage of and community concern regarding acute housing stress in our region.

Recent resolutions of Council include:

- *19-152 SEPP 70*
- *20-016 Tiny Homes*
- *20-021 STRA*
- *20-365 AHC scheme*
- *20-069 EOI Carparks*
- *20-611 Lot 22*
- *20-686 Residential Strategy*
- *21-062 Role in Housing Delivery*
- *21-066 Key Workers*
- *21-112 Housing Crisis*
- *21-123 Land Trust*

In this context the following recommendation is made:

Recommendation 3: Support current LGA housing initiatives. High Priority – within 3 months.

As part of the delivery of NSW Housing Strategy Action 5.1.3, support the use of under-utilised Council land by assisting in the progression of multiple innovative housing initiatives are currently stalled/delayed by the DPIE including:

- Lot 22 Planning Proposal,
- Tiny Homes Planning Proposal,
- Affordable Housing Contributions Scheme (SEPP 70),
- Residential Strategy.

This support should include:

- fast tracking of the assessment process;
- where appropriate, provide infrastructure delivery funding;
- direct support for developing partnerships with Landcom;
- progression of the Short Term Rental Accommodation Planning Proposal.

d) barriers to additional supply across NSW, including for smaller non-CHP housing providers

Context

In acknowledgement of the seriousness of the issues surrounding housing supply across the region, Byron Shire Council planners have joined a Housing Working subgroup (HWG) of the Northern Rivers Planners Group – with Ballina, Lismore, Kyogle, Richmond Valley and Tweed Councils. This group compiles and analyses frontline data to support advocacy and collaboration on innovative solutions to housing affordability. The HWG is preparing a submission to the Regional Housing Taskforce and have identified a number of critically important issues in the region, including increased numbers of rough sleepers and an 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 the housing crisis.

To adequately address these issues, housing supply needs to address the full housing spectrum, from those temporarily without a home to those seeking housing that better suits their needs. There are a number of barriers into and across the housing spectrum, particularly given that housing and rental supply is largely driven by the private market model and therefore subject to supply and demand mechanisms that are rarely matched with social need. The major barriers include:

- *Increasing cost of housing*: whether through rent or purchase, there is wide evidence of the rising cost of housing through increasing median property prices and increasing median rents. Combined with decreasing real incomes, housing affordability is a major barrier to secure housing;
- *Decreasing supply of housing and private rental vacancies*: whether through the return of 'ex-pats', FIFO workers, or increasing short-term rental accommodation (STRA)-use being taken up by property owners, housing supply does not meet current requirements;
- *Deficit of land supply*: 'drip release' mechanisms and land banking strategies, mostly utilised to increase private returns through attempts to limit and control supply, lead to significant interruptions in land development;
- *Uneven policy settings*: these settings promote an attractive property investment climate with financial incentives and taxation advantages that favour profit driven housing-as-investment over housing-as-shelter uses;
- *Deficit of social housing*: the over-reliance on, and subsequent failure of, private markets to provide adequate housing across locations and housing types requires a re-investment in social housing at a broader scale.

Whilst these challenges exist across the State, the Byron Shire and broader Northern Rivers region have been particularly impacted by shifts in population patterns brought about by the COVID pandemic. Whilst some of these issues are a result of broader structural inequities, there are potential solutions being explored by Councils and local communities, including the development of:

- Council-specific Affordable Housing Development Policy;
- Planning Agreements (for planning proposal and development application);
- Inclusionary zone provisions (in Council-specific LEP and DCP development);

- Land Banking sunset clause to activate land development;
- Meanwhile use provisions (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)
- Land Trust entities such as the Byron Shire Land Limited under Res 21-123;
- Affordable Housing Contribution Schemes (SEPP 70).

That said, it is important to note that it is essential to ensure the provision of housing to all household income groups – very low, low, moderate and higher groups – and across the spectrum of housing needs. According to the NSW Government’s housing strategy *Housing 2041*, adequate supply includes the amount, location and timing of the supply and “should respond to environmental, employment and investment considerations, and population dynamics”. To achieve this, the strategy has identified the use of data as a Priority Area, aimed at “enabling access to and promoting the use of data and evidence-based decision-making” (p.11). Given the fast-moving shifts in supply and demand for housing in our region, such as population growth, household composition and availability of housing types, Byron Shire Council supports the need for data collection and evidence-based decision-making.

In this context the following recommendation is made:

Recommendation 4: Develop a program to deliver the full spectrum of housing in the Northern Rivers as part of the North Coast Regional Plan (NCRP) review. High to Medium Priority - next 12 months.

The North Coast Regional Plan 2036 is under review. The world has moved on since the adoption of this plan, including the many significant impacts of changing demand and supply patterns associated with the COVID pandemic. The next Regional Plan needs to deliver a more detailed analysis, projection, and range of housing target scenarios. There is a significant need to ensure the review entails funding and work to unify Northern Rivers data and analysis information on housing. The work, to be undertaken in unison with the HWG and local stakeholders who provide and manage residential land and housing, should include the following priorities:

- quantify the pattern of dwelling use in the Northern Rivers;
- quantify the profile of current and project housing requirements across the Northern Rivers using the NSW Housing Strategy ‘spectrum of housing’;
- 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) to set targets by location; by short term; and by long term requirements;

- based on the issues/drivers/emerging solutions, determine the best mechanism to deliver the NSW Housing Strategy 'spectrum of housing'. This should not be limited to planning system solutions.

It is suggested NSW Government could look at the Queensland approach to a regional level of data collection of housing stock: [Queensland Housing Profiles \(qgso.qld.gov.au\)](http://qgso.qld.gov.au)

The below table summarises the housing types by residents (Spectrum) and the relationship to the planning system and responsible level of government and or agency to deliver.

Housing types by resident need	Explanation	- Relationship to the 'planning system' - Key responsibility to deliver and or support
Crisis housing	Emergency temporary accommodation factors such as: * domestic or family violence situation * homelessness * natural disasters	Delivery largely outside the planning system NSW Government Department of Communities and Justice (DCJ)
Social housing	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.	Delivery largely outside the planning system Fed: National rental assistance State: NSW Govt DCJ
Affordable rental housing	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.	Federal: National rental assistance State: NSW Govt DCJ Private rental where the tenant's rent is subsidised
Private rental	Rental accommodation in the private market even if this rent is subsidised or partly refunded. 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	Delivery effected by planning system – SEPP enabling STRA Private rental market - in the NSW, most private sector tenancies are regulated by the Residential Tenancies Act 2010 (NSW).
Supported home ownership	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.
Homeownership	Households who own the property in which they usually reside and have either: - owner with mortgage - owner without mortgage	Delivery effected by planning system
Specialist housing	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

END OF SUBMISSION