

*Draft*  
Northern Rivers  
Regional Affordable  
Housing Strategy

September 2012

*Project funded by NOROC and auspiced  
and managed by Clarence Valley Council.*



# Acknowledgements

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

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

The consultants, Social Habitat, have prepared the strategy.

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

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

The Strategy takes inspiration and borrows ideas from housing strategies prepared in other regions in Australia that share characteristics such as population, geography, social, economic and cultural makeup with the Northern Rivers of NSW. Those strategies include:

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

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# Executive Summary

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

This strategy investigates the issues of housing affordability, accessibility and availability in the Northern Rivers region and confirms that there is a high degree of 'severe housing stress' in the LGAs of the Northern Rivers for people on low to moderate incomes. The ABS Census 2011 confirms that housing in the Northern Rivers is considerably less affordable than the rest of NSW and that the problem has continued to worsen in the past five years. The causes of the housing affordability crisis in the Northern Rivers are extremely complex; they have international, national, state and local causes. Without change in the current dynamics of housing supply the consequences of this crisis will continue to broaden from stress on individuals and families to wider community consequences. The lack of affordable housing is starting to affect the wider economy and culture, particularly the age structure of the region. For example there are limited numbers of smaller accessible housing options for older people, so they are tending to either move elsewhere or remain in larger underutilised housing, while young people from 20 up to 45 years of age are tending to move away to regions with a better ratio of income to housing costs, or they are commuting increased distances across the region for work.

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

- The resourcing of a worker in the Clarence Valley,
- Recent investment under *Building Better Cities* Commonwealth funding of \$8.4M in the Tweed, \$5M in Lismore and \$4.5 in Ballina,
- Promotion of the secondary dwelling provisions of the ARH-SEPP in Byron Shire.

The central thrust of the recommendations of this strategy is to create a regional housing agreement between NOROC (representing the seven LGAs) and State and Commonwealth

## Northern Rivers - Seven LGA's 20705.9 sq Kms

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

### Ratio of Median Annual Household Income to Median Dwelling Price

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

(Statistical information is all derived from the 2011 census)

governments that compliment the National Affordable Housing Agreement (NAHA) that came into effect in 2009. This agreement:

- Defines roles and responsibilities for the main stakeholders;
- Strengthens and expands institutional architecture that the region can take effective advantage of government programs and private investment
- Creates certainty around long term resourcing of affordable, adaptable and social housing
- Seeks to embed the promotion of affordable housing solutions in all aspects of local government policy and practice
- Seeks to harmonise local planning with State Government planning reform under the proposed *New Planning System for NSW* and the proposed *Affordable Housing Choice SEPP*
- Seeks to put in place mechanisms that will protect existing affordable housing, and
- Seeks to promote a range of innovation including research and trialing of a number design, settlement planning and legal pilots.

Finally this strategy recommends **The Northern Rivers Affordable Housing Incentives Package** as a lead regional project. This project is about creating a set of incentives around three specific types of development and then promoting the package with public forums, a media campaign and leaflets. The three types of development are secondary dwellings, one and two bedroom accessible dwellings and shop top boarding houses.

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# Glossary

AHURI	Australian Housing and Urban Research Institute
ARH-SEPP	State Environmental Planning Policy (Affordable Rental Housing) 2009
BSC	Ballina Shire council
BySC	Byron Shire Council
CVC	Clarence Valley Council
CHL	Community Housing Limited
DA	Development Application
DoFS	NSW Department of Finance and Services
DoLG	NSW Department of Local Government
DoPI	NSW Department of Planning and Infrastructure
DoPIC&L	NSW Department of Primary Industries Catchment and Lands
FHCSIA	Commonwealth Department of Families, Housing, Community Services and Indigenous Affairs
HNSW	Housing NSW (Dept. of Housing)
KC	Kyogle Council
LCC	Lismore City Council
LGA	Local government area
NCCHC	North Coast Community Housing Company
NOROC	Northern Rivers Regional Organisation of Councils
NRSDC	Northern Rivers Social Development Council
NRRRAHS	Northern Rivers Regional Affordable Housing Strategy
NSW Gov.	NSW government
RVC	Richmond Valley Council
Region	Northern Rivers region
RDANR	Regional Development Australia Northern Rivers
RLS-SEPP	State Environmental Planning Policy No. 15 – Rural Landsharing
TSC	Tweed Shire Council

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# 1. Introduction

This regional strategy:

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

This strategy seeks to guide and coordinate the research, initiate and recommend further policy development, planning, advocacy, partnership building, education and evaluation mechanisms to assist the participating Council's to deliver accommodation to people on low and moderate incomes, that is available, affordable and adaptable in the region.

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

The region is not uniform, it is both socio-economically and environmentally diverse. The eastern coastal fringe tends to be lifestyle, tourism and intensive agricultural orientated while the western hinterland tends a more traditional agriculture and industrial orientation. The northern part of Tweed Shire has a development pattern related closely to that of SE Queensland while the rest tends to be a more traditional rural/regional development pattern. The nature of the affordable housing issue in the region, the shared history and the need for collective advocacy make a regional approach to affordable housing a logical step.

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

## **What is Affordable Housing?**

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

## **What is Housing Stress?**

Housing stress is generally used to describe low-to-moderate income households that are spending more than 30% of gross household income on housing costs. A household is in 'housing crisis' or 'severe housing stress' when paying more than 50% of its income on housing. *(These definitions come from Clarence Valley Affordable Housing Policy.)*

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

- *The cost of regulation and tax;*
  - *The cost of supporting infrastructure;*
  - *The level of building specification;*
  - *The size of dwellings; and*
  - *The cost of finance, either rent or mortgage*
- Reducing the cost of finance generally requires resources in the form of a public or private subsidy.*

## 2. Background

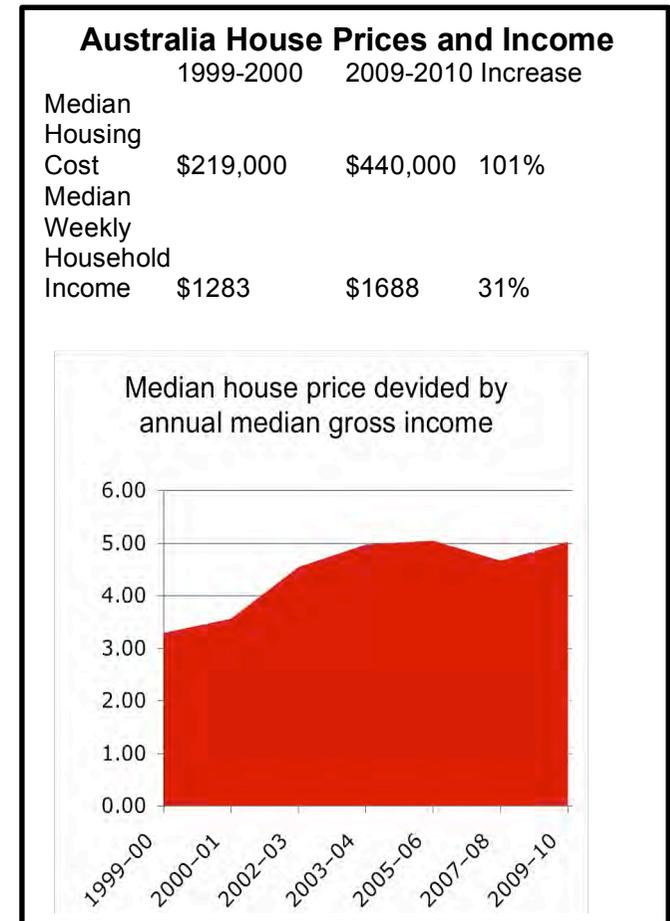
Housing affordability and housing stress began to emerge as a serious issue in the region in 2000-2001. Property prices and rents rose rapidly in the coastal 'sea change' and tourist areas of Byron Bay, Ballina and Tweed Coast. Housing stress gradually became common across the region as the cost increased and availability diminished. The nature of housing stress is not uniform across the region. The greatest stresses occur in the coastal local government areas of Tweed, Byron, Ballina and parts of the Clarence Valley. However the effects have been felt across the whole region as people displaced from the coastal areas move inland seeking more affordable housing, which in turn increases house prices and reduces supply in those areas.

Many of the causes of housing stress in the region are the same as for the rest of Australia and are related to broader taxation policy, investment settings and immigration pressures. During the past decade the median cost of housing compared to median income in Australia has diverged significantly adding to housing stress in both mortgage and rent costs experienced by low-to-moderate income earners. The demand for housing has been far greater than supply and consequently the cost of housing has increased far more rapidly than income.

Common elements impacting on housing affordability include:

- Over 20 years of continuous economic growth in Australia
- A rapid expansion of credit availability at relatively low rates of interest
- Significant increases in the cost of house construction and land development due to factors such as higher construction specifications, regulatory costs and the taxation system
- Housing policies particularly at Commonwealth level, have tended to be inflationary
- A decrease in investment in rent-stabilised social housing, and
- Population increase and immigration.

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



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### 3. Government Response

Traditionally State governments have had the primary responsibility for housing policy and provision of affordable housing. Most of the State's response has centred on the provision of rent-subsidised public housing. This began to change in the late 1980's and further changed in the late 1990's as the bulk of government housing investment shifted from provision of public housing to stimulating the private housing sector. Local government has had a planning and land development role but not a specific housing role until the last five years. Public policy relating to housing has shifted significantly at all three levels of government in the past ten years.

#### NSW Government Affordable Housing Policy and Programs

The key changes in NSW Government housing policy in the past ten years has seen:

- A shift away from public housing to the 'not-for-profit' / non-government housing sector. The overall the percentage of public housing in NSW has reduced from 4.89% to 4.21% between 2001 and 2011, while the not-for-profit housing sector has increased from 0.54% to 0.67% in the same period.
- A shift from housing policy related primarily to social housing to wider issues of housing affordability.

The following briefly identifies the key housing and related programs and schemes in NSW.

**Expanded Boarding House Financial Assistance Program** – This program provides grants to developers of up to \$10,000 per room provided.

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

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

**Rentstart** - Provides financial assistance for low-income earners to help them set up or maintain a tenancy in the private rental market. The Commonwealth government Rental Assistance program supplements this.

#### NSW Government Reforms

This strategy is attempting to respond to a range of major reforms in the NSW government process, these include:

- Reform to the ARH-SEPP that is being conducted by the Affordable Housing Taskforce, established in May 2011  
“**Stage 2** - An Affordable Housing Taskforce has been established to develop an Affordable Housing Choice SEPP and work with local councils to develop Local Affordable Housing Choice Strategies”
- Planning Reform described in ***A New Planning System for NSW Green Paper***

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

## Commonwealth Policy Response

### National Rental Affordability Scheme (NRAS)

This scheme provides \$6,000 per year tax rebate, supplemented by State government funding of \$2,000 per year, over 10 years for housing provided at less than 80% market rent. The program is currently in its fourth round and is not guaranteed to continue.

### Housing Affordability Fund

A \$0.5B stimulus funding package designed to address two significant supply-side barriers, holding costs incurred by developers and infrastructure costs.

### Building Better Regional Cities Program

This program provides infrastructure funding as a stimulus to reduce the costs to the private development industry and thereby assist to reduce the purchase price of housing.

## Summary

- State and Commonwealth planning policies and grant programs aimed at stimulating the creation of new affordable housing have had modest success in the Northern Rivers. (See box on this page) Homeowner grant programs are the possible exception, however there is no available data that shows the results of these programs.
- Urban in-fill, smaller lot subdivision and boarding house provisions promoted under the ARH-SEPP have met with community resistance in this region. The secondary dwelling provisions have been the most successful provisions in this region under the ARH-SEPP.
- NRAS has tended to support large scale private and not for profit housing developments. Large scale developments in smaller housing markets such as in this region are neither economically feasible nor commonplace except in Tweed Shire.
- The region lacked in the government, not for profit and private sectors, appropriate resources and expertise to prepare sophisticated tender proposals in order to take advantage of many of the programs on offer.

## Results in Northern Rivers of State & Commonwealth Policy and Programs

### Regional ARH-SEPP Progress

- Byron Shire supported and promoted secondary dwellings by waiving development contributions. This has resulted in over 50 successful development applications in the year to the end of June 2012.
- A large boarding house development application under the ARH SEPP was rejected recently in the region due to community opposition. (See **Northern Rivers Housing Strategy Storyboard page 8** for more information)

### Social Housing Initiative

- Richmond Valley - 37 dwellings in four projects constructed in Casino

### NRAS Funding

- Clarence Valley - 14 dwellings constructed
- Lismore City – Approval of 20 dwellings
- Tweed Shire – Approval of between 50-150 dwellings

### Building Better Regional Cities Program

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

(Data provided by Council planning departments and Commonwealth websites)

## Local Policy Response

Byron Shire adopted an affordable housing strategy in 2002; Clarence Valley in 2006-7; Byron Shire adopted a new strategy in 2009; Ballina Shire developed a strategy in 2009 that was adopted in 2010 and Lismore City has just adopted a general housing strategy with a focus on housing affordability. Of the other three Council's, Tweed Shire and Richmond Valley have responded to the issue by the development and provision of related policies, whilst Kyogle more generally so through its community Social Plan.

Within the region the policy responses and resources outlaid to date have been substantial and are a reflection that the local Councils in the region regard the issue seriously, particularly as housing provision is not a traditional concern of local government.

The most significant successes of the strategic work done to-date includes:

- Developing strategies highlighting the seriousness and nature of housing stress in the region
- Raising the profile of the issue and working towards building partnerships within their respective communities, and with the NSW Government
- Effective seeking of resources for provision of homeless housing services by the community sector, and
- Building new affordable accommodation. Clarence Valley Council successfully brokered a partnership with Community Housing Limited to build fourteen dwellings using NRAS funds near Grafton.

The number of new dwellings specifically for low to moderate households has been modest, which is a reflection on how little local government strategies can achieve without resources and support from State and Commonwealth governments. The factors that appear to have contributed to the greatest success of local strategies were:

- Long term resourcing of a worker to research, advocate and implement a strategy, and
- Building a strong relationship with State Government enabling local collaboration and partnerships with developers at a local level.

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### Ratio of Median Annual Household Income to Median Dwelling Price

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

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

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

## 4. The Northern Rivers Regional Initiative

Affordable housing was identified in the NOROC Strategic Plan 2009-2012 as a key issue that would benefit from a regional approach to policy development. In October 2011 NOROC allocated \$100,000 to the development of a regional strategy. Social Habitat was selected to prepare the strategy in April 2012.

### Consultation and Research Process

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

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

### Local Issues

The following issues are identified as relating to the specific nature of the affordable housing crisis or of causing housing to be less affordable in the Region.

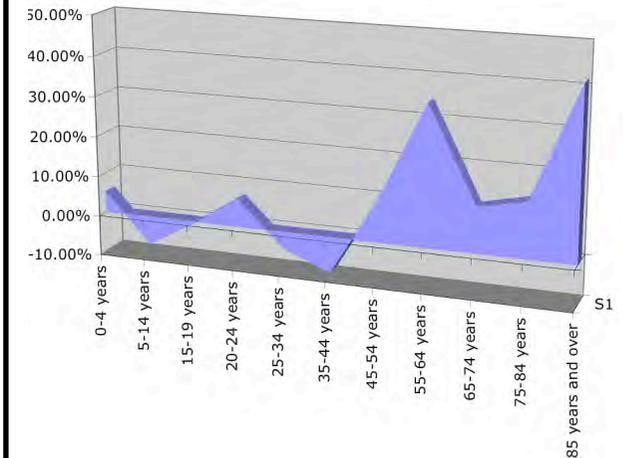
- **Historical Settlement Pattern** - The historical settlement pattern of the region affects housing affordability. Most towns in the region have been built on the flood plains of rivers. Traditionally this was not a problem as low cost housing, usually workers cottages, and central business districts were built on the floodplain at or near ground level, and periodic flooding was accepted as part of life. Additionally there is increased risk of flood events due to climate change. Contemporary flood planning means that habitable floor levels now have to be built above 1 in 100 year flood levels. The increase in the general level of building specification in recent times makes building at low cost on the floodplains difficult and costly, particularly for medium density housing or housing requiring disability access. This reduces the opportunities to build sustainable low cost housing within the footprint of

established settlements. The relative unavailability and higher cost of land on higher ground makes it hard to build low cost affordable housing anywhere in the established settlement pattern.

- **Weak Base of Social Housing** – According to the 2011 census the region only 3.35% of the total housing stock is for social housing compared to 4.89% in NSW. There appears to have been an under-investment in social housing (public and community housing) in the region compared to the rest of NSW. There is little evidence of change with a net increase of just 85 properties in the region over the past five years. This small social safety net of subsidised housing creates virtually no dampener or alternative to the private rental market. In 2001 total social housing was 3715 dwellings or 3.62% of dwellings, 2011 it was 3,853 dwellings or 3.35% of total dwellings.
- **The Nature of In-migration** – Since the mid 1990’s there has been a steady rise in the number of relatively affluent people, often referred to as ‘sea chargers’ or ‘tree chargers’ migrating into the region, either to live permanently or to live for a part of each year. This in-migration and associated demand for housing has increased the cost of housing. This has also had the effect of displacing existing people on low and moderate incomes or causing housing stress as rents increase and house availability decreases.
- **Disparity Between Income and Housing Costs Has Increased Housing Stress** - In the past ten years median household income in the region increased by 55.6%, while median mortgage rates increased by 95.12%% and rent by 92.86%. Median household income in the region is 62% of median income of the Sydney metropolitan area, while median housing cost, rent and mortgage are 82% and 83% of median housing costs of the Sydney metropolitan area. This is exaggerated further in coastal areas like Tweed, Byron and Ballina where housing costs are equivalent or greater than Sydney but income is not.
- **Housing Stress Continues to Increase** (awaiting data from census to be released in October 2012)
- **Conversion of Permanent Accommodation into Tourist Dwellings** - The provision of accommodation for tourists has reduced the supply of housing for local people, particularly in the coastal areas where a significant amount of the rental housing stock and caravan park accommodation has been converted to be used primarily for holiday rental. This has led to a displacement of permanent residents to other parts of the region and beyond, particularly inland service towns such as Grafton, Lismore, Casino, Kyogle and Murwillumbah.

### Demographic Trends

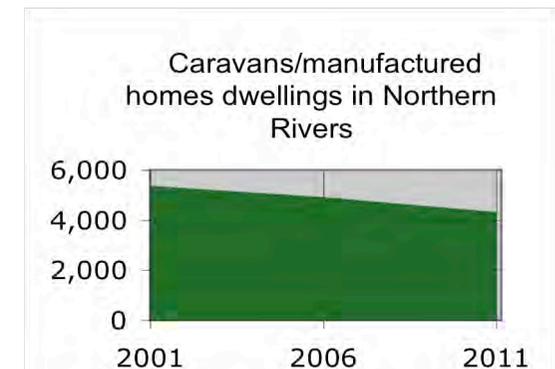
- The median age of the region is 44 years, compares to 38 years for NSW as a whole.



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

- **Poor Mix of Housing Stock** - There is a mismatch between the dual trends of an aging population in the region and the reduction in the number of residents in each dwelling and the continued increase as proportion of overall housing, of detached dwellings with three or more bedrooms. The 2011 census confirms detached dwellings have increased as a proportion of overall dwellings from 74.2% to 75.25%, despite the stated objective to reduce this figure to around 60% by 2031.
- **Aging Population** – There is little reflection in the types of dwellings being built of the need to provide smaller and more accessible housing for an aging population. The largest demographic spike in the region occurs in the 55-64 year age group. Critically 31.19% of people aged over 54 years earn less than \$300/week, while 53.94% earn less than \$400/week. As a comparison, the figure for Sydney of people aged over 54 years who earn less \$400/week is 48.32%.
- **Loss of Young Workers** – There has been a net loss in both absolute numbers and as a percentage of the population in every 5-year census period between 20 and 49 years of age in the past 10 years. Lack of affordable housing is not the only reason for this but it is a significant cause. As these are mostly the key workers there are implications for the continued vibrancy of the local economy and culture.
- **Poor Utilisation of Infrastructure** - The dominance of detached dwellings also causes lower population density. Services like public transport are less viable when the population is spread out. Infrastructure costs increase according to the distance from existing sewer and water mains and these costs inevitably get passed on as an increase in the cost of housing. The average cost per dwelling to provide infrastructure has increased significantly in the past ten years.
- **Decline of Past Solutions** - There is a range of low cost housing solutions in the region such as caravans, manufactured homes, traditional workers cottages and various forms of rural land sharing (multiple occupancy) that have traditionally provided low cost housing. In the past decade there has been a loss of private sector and institutional support and legitimacy for these forms of housing. These forms of housing have declined and it appears the nature of current tenure is trapping some residents in inappropriate housing.
- **Lack of Appropriate Expertise and Resources** – A significant reason why the region was unable to take fair and equitable advantage of State and Commonwealth funding programs was that it lacked development services, expertise and dedicated workers that are all present in other regions, particularly Sydney, Newcastle and Wollongong. The region

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



### Rural Land Sharing

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

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

Yet SEPP Affordable Rental Housing and other NSW housing policy does not support affordable housing development on rural zoned land.

lacked expertise and resources to prepare sophisticated tenders, as well as financial, legal and development expertise to broker partially government subsidised affordable housing developments either in the private or not-for-profit sectors.

The exceptions are in Tweed Shire where a larger private developer received NRAS assistance for a residential development at Cobaki Lakes and in the Clarence Valley where Council partnered with Community Housing Limited (CHL) to build 14 dwellings. In the not-for-profit sector the North Coast Community Housing Company (NCCHC) was nominated as the “growth provider” however this organisation has historically been a housing manager and has had only a limited capacity to act as a developer. The region also lacks sophisticated development services and the expertise that a Government run organisation like Landcom offers to the Sydney Metropolitan area and which large private developers possess in-house.

- **State and Commonwealth Policy is City Centric** – Housing research and policy in Australia primarily relates to urban metropolitan contexts. The Australian Housing and Urban Research Institute (AHURI), which is the lead Australian research body into housing policy has done virtually no specific research on rural and regional housing issues or context except for remote Aboriginal communities. State and Commonwealth funding tends to reflect this bias and makes little distinction between city and rural/regional contexts.

Three specific areas of importance are:

- Where affordable housing can be located. For example in rural areas public transport services tend to be highly ineffective because of distance and a lack of population density, however transport does tend to work through informal arrangements including shared rides, school buses and hitch hiking. A perception that affordable housing needs to be located near to commercial services and public transport is an urban concept that needs a more subtle interpretation when it is applied in a rural/ regional setting.
- There is a bias in the types of housing that are supported, towards development that is urban in-fill; and
- Programs such as NRAS tend to support large-scale development of 200 or more dwellings; developments of this scale are rare and risky in the rural/ regional context.

## 5. Guiding Principles

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

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

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### Vision

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

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

## 6. Strategic Goals

**Goal 1 Collaboration and cooperation** – Facilitate a constructive working relationship between the Councils in the region and State and Commonwealth Governments, to enable sharing of information, development of effective partnerships, synchronising of policy and planning mechanisms and advocacy.

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

**Goal 3 Establish and embed affordable adaptable housing benchmarks into council policy and practice** – Including the provision of affordable housing within all appropriate mechanisms.

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

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

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

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

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

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

**Goal 10 Innovation** – Promote a small number of affordable housing model pilot projects where normal development controls are relaxed in order to promote new innovative housing that is affordable, adaptable, sustainable and appropriate.

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## 7. Action Plan

This action plan is structured around the five themes.

- 1) **Collaboration, Agreement and Resources**
- 2) **Investment**
- 3) **Supportive Local Government Policy and Practice**
- 4) **Retention and Better Utilisation of Existing Assets.**
- 5) **Innovation**

Each of the actions in the strategy:

- Identifies responsible lead agencies and partners
- Identifies resources
- Has a recommended timeline.

*If you require more depth in the explanation of the 20 actions suggested in this strategy please refer to the notes in **NSW Northern Rivers Regional Affordable Housing Strategy – Background Discussion, Issues and Recommendations Paper**.*

*There are also a number of additional recommendations for actions that do not strictly fit within the scope of this strategy. These are actions that either do not relate to the region as a whole or are not strictly within the scope of local government.*

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## Theme 1 – Collaboration, Agreement and Resources

	Action	Lead /Partners	Resources	Timeline
1	<b>Briefing of Councils, Education Program and Adoption of Strategy -</b> Briefing and education program on the issue for elected Councilors and Council Officers.		Steering Committee	End of 2012
2	<b>Regional Memorandum of Affordable Housing –</b> Initiate negotiation of an memorandum of understanding between the Councils on: <ul style="list-style-type: none"> <li>• Common approach to the provision of affordable housing, and</li> <li>• Local and regional resourcing</li> <li>• Shared planning approach</li> </ul>		Steering Committee	Begin March 2013
3	<b>Housing Forums -</b> Contact housing forums within the regional community housing sector and private housing development stakeholders to: <ul style="list-style-type: none"> <li>• Inform and educate about the regional strategy, and</li> <li>• Seek input into a regional affordable housing agreement.</li> </ul>	NOROC, NRSDC, NCCHC, Horizon, CHL, OnTrac		Early 2013
4	<b>Short Term Regional Housing Officer (STRHO)</b> Employ a housing officer to oversee regional affordable housing agreement and to facilitate the regional strategy including: <ul style="list-style-type: none"> <li>• Briefing and education program</li> <li>• Implementation</li> <li>• Development of the regional affordable housing agreement</li> <li>• Advocacy at State and Commonwealth Government levels</li> </ul>	7 LGAs, NSW Gov. <b>Options</b> <ul style="list-style-type: none"> <li>• Private Consultant</li> <li>• Employed by CVC</li> </ul>	NOROC	By April 2013
5	<b>Regional Affordable Housing Agreement</b> Negotiation of a regional agreement in two parts that can complement the National Affordable Housing Agreement (NAHA) that came into effect in 2009. This agreement may exclude measures dealing with homelessness which are included NAHA.  <b>Part 1- Resourcing and Investment</b> Action Items 5, 8-13 could all be covered in this agreement. <i>There may be other parties to this agreement such as other regional organisations and the Commonwealth Government.</i>  <b>Part 2 –Planning and Housing Innovation</b> Action Items 14-21 could all be covered in this agreement.	NOROC, NSW State Agencies Planning & Infrastructure, Housing NSW, Dept. of Local government, FAHCSIA	RDANR (facilitator), STRHO, Senior Managers of 7 LGAs,	Begin April 2013 Part 1 Conclude by December 2013  Part 2 Conclude by June 2014

<p><b>6</b></p>	<p><b>Regional Housing Officers</b> Employ housing officers to facilitate regional approach and development of affordable housing including:</p> <ul style="list-style-type: none"> <li>• Implementation of the regional strategy;</li> <li>• Advocacy at State and Commonwealth Government levels;</li> <li>• Identification and coordination of research projects;</li> <li>• Supporting private development innovation and liaison with regional development industry stakeholders;</li> <li>• Liaison with local housing workers;</li> <li>• Liaison with and development of partnerships with social housing providers;</li> <li>• Coordination of partnerships to develop adopted regional affordable housing pilot projects;</li> <li>• Coordination of regional land use planning initiatives; and</li> <li>• Evaluation and monitoring of Commonwealth, State and Local projects and programs.</li> </ul>	<p>7 LGAs, NSW Gov. <b>Options</b></p> <ul style="list-style-type: none"> <li>• NOROC employs worker(s) directly</li> <li>• Workers employed by NRSDC or NRRDA</li> <li>• Employed by one or more of local councils directly</li> </ul>	<p>7 LGA's matching funds from NSW Gov. &amp; Com Gov. for core funding.</p>	<p>By 2014</p>
<p><b>7</b></p>	<p><b>Local Housing Officers</b> Encourage Councils to fund the employment of housing officers to facilitate provision of affordable housing by:</p> <ul style="list-style-type: none"> <li>• Preparation and implementation of local housing strategies;</li> <li>• The education of local communities and Councils about affordable housing;</li> <li>• Liaison with and support of local social housing providers; and</li> <li>• Facilitating local partnerships to build affordable housing.</li> </ul>	<p>7 LGAs, NSW Gov.</p>	<p>CVC- 1 worker, 0.6 worker LCC, Other Councils</p>	<p>Ongoing, new local workers by July 2013</p>
<p><b>8</b></p>	<p><b>Regional Development Expertise</b> Establish a register of regional property and development services that have the expertise to support new private and not for profit affordable housing projects to:</p> <ul style="list-style-type: none"> <li>• Undertake market research into untested housing solutions;</li> <li>• Conduct economic feasibility assessments of projects;</li> <li>• Broker development finance;</li> <li>• Write submissions and tenders for government grants; and</li> <li>• Provide design services related to development of land and infrastructure</li> </ul>	<p>NOROC <b>Options</b></p> <ul style="list-style-type: none"> <li>• Landcom provide services</li> <li>• Funding to contract private expertise</li> <li>• Ballina Shire Council</li> </ul>	<p>State and Com. funding</p>	<p>2014</p>

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## Theme 2 - Investment

	Action	Lead /Partners	Resources	Timeline
9	<p><b>Investment Agreement</b></p> <p>Establish an investment agreement with the NSW Government to increase social housing in the region to same level as the rest of the state over the next 20 years by:</p> <ul style="list-style-type: none"> <li>• Provision of new public housing;</li> <li>• Funding and resourcing the regional community housing sector; and</li> <li>• Mechanism to allow regionally based community housing providers to borrow for development. (Transfer of title to housing stock from has been suggested as the best way to achieve this in the past.)</li> </ul>	Negotiation with NSW Gov.	Senior Managers from CVC, LCC & TSC Negotiated under <b>(R&amp;I)</b>	Conclude by December 2013 (10 year period to 2023)
10	<p><b>Development Contributions</b></p> <p>Negotiate with State Government a new mechanism for levying special contributions for affordable housing. To be considered and developed in the context of the proposed changes to the NSW planning system. Provisions could be through proposed Sub-regional Delivery Plans or Growth Infrastructure Plans, negotiable under voluntary planning agreements, development contributions via monetary contribution, or in kind.</p>	Negotiation with DoPI		2013
11	<p><b>Government Land Transfer/Use Protocol</b></p> <p>Establish a land transfer or long-term use protocol with State Government for land that is either under-utilised or no longer needed for original purpose, which may be suitable for affordable housing.</p>	DFS,	Negotiated under <b>(P&amp;HI)</b>	2014
12	<p><b>Housing Fund and Land Trust</b></p> <p>Examine the feasibility of establishing a regionally administered regional affordable housing fund and land trust auspiced by NOROC to fund affordable housing projects by social housing and/or private developers.</p> <p>Sources of funds to support the trust may include:</p> <ul style="list-style-type: none"> <li>• Government grants.</li> <li>• Development contributions.</li> <li>• Philanthropic donations.</li> </ul>	NOROC	Negotiated under <b>(R&amp;IA)</b> Legal to establish	2014

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### Theme 3 - Supportive Local Government Policy and Practice

	Action	Lead /Partners	Resources	Timeline
13	<p><b>Affordable/ Adaptable/ Accessible Housing Performance Benchmarks</b> Establish regional performance benchmarks and development codes, (consistent with ARH-SEPP and proposal under proposed new State Planning Policies for housing supply and affordability) which will:</p> <ul style="list-style-type: none"> <li>• Provide a basis for local and regional assessment of affordable housing projects.</li> <li>• Be incorporated into all strategies, policy and practice of councils.</li> </ul> <p>Benchmarks may include the following:</p> <ul style="list-style-type: none"> <li>• Prescribing a minimum percentage of allotments for affordable housing in new housing subdivisions and developments;</li> <li>• A system of dwelling density bonuses and offsets to encourage urban infill developments;</li> <li>• Means of facilitating adaptable housing;</li> <li>• Means of facilitating accessible housing;</li> <li>• Housing developed under 'special titles' within a secondary market framework. <b>(Refer to Action 19)</b></li> </ul>	NOROC & 7 LGA's	Regional worker & Strategic Planning managers 7 LGA's	Need to be worked out before negotiation of <b>(P&amp;HIA)</b>
14	<p><b>Innovative Affordable Housing Projects</b> With reference to the reform of the planning system, investigate the means to create flexibility in the regional planning system that facilitates local innovative solutions in affordable housing. There are five suggested areas:</p> <ol style="list-style-type: none"> <li>1. Commencing a limited number of pilot projects for local innovative affordable housing</li> <li>2. Allowing affordable housing on rural land close to existing towns, not currently zoned for residential development which is demonstrated to be suitable land for low cost housing and manufactured homes and is compatible with the neighbouring pattern of settlement and the existing zoning and use of the land.</li> <li>3. New rural hamlets and villages</li> <li>4. The temporary use of land for affordable housing, and</li> <li>5. Small lot subdivision.</li> </ol>	Negotiation with DoPI	Regional worker & Strategic Planning managers 7 LGA's	ASAP Conclude June 2014

15	<p><b>Northern Rivers Affordable Housing Incentives Package</b>  Develop and promote incentives for specific types of affordable housing developments that are consistent with ARH-SEPP, and which might include:</p> <ul style="list-style-type: none"> <li>• Reduction, delayed payment or abolition of development contributions and levies.</li> <li>• Reduced rates.</li> <li>• Streamlined development approval, including application of exempt or complying development provisions to some forms of development</li> <li>• Matched financial incentives where appropriate from State and Commonwealth Government grants.</li> </ul> <p>The three types of development which could be promoted are:</p> <ul style="list-style-type: none"> <li>• <b>Secondary Dwellings</b></li> <li>• <b>One &amp; Two Bedroom Accessible Dwellings</b></li> <li>• <b>Shop Top Boarding Houses</b></li> </ul> <p>Promotion package could include public forums, media campaign and leaflets.</p>	NOROC 7 LGA's	Short-term Regional Housing Worker	<b>Suggested Lead Project 2012-2013</b>
16	<p><b>Affordable Housing DA Pre-lodgment and Assessment Process</b>  Develop a regional framework, which enables developers of affordable housing projects to enter into a process of meetings and referral to specialist advice and services. For example:</p> <ol style="list-style-type: none"> <li>1) Development Proposal Meeting(s) with Council land use planner/s and local or regional housing officers, to: <ul style="list-style-type: none"> <li>• Advise on how or if a project can meet regional affordable housing benchmarks;</li> <li>• Advice about available specialist development services;</li> <li>• Advise on Voluntary Planning Agreements and development contributions.</li> </ul> </li> <li>2) Affordable Housing Pre-lodgment Meetings</li> <li>3) Streamlined Assessment Process for Affordable Housing Projects</li> </ol>	7 LGAs	Senior Planning Managers of 7 LGAs	2014

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## Theme 4 - Retention and Better Utilisation of Existing Assets

	Action	Lead /Partners	Resources	Timeline
17	<p><b>Mapping of Potential Affordable Housing Assets</b></p> <p>Councils to establish a land register which identifies:</p> <ul style="list-style-type: none"> <li>• Government land and building infrastructure potentially suitable for use and/or development for short, medium and long-term affordable housing. (Note some land may be suitable for temporary occupation up to 10 years)</li> <li>• Council land and building infrastructure potentially suitable for use and/or development for short, medium and long-term affordable housing.</li> <li>• Caravan parks, manufactured home estates, boarding houses and the like providing low cost affordable housing.</li> <li>• Under-utilised housing possibilities associated with commercial (shop top) development.</li> </ul>	<p>7 LGA's DPIC&amp;L, DFS</p>	<p>Local Housing Workers</p>	<p>2014-2015</p>
18	<p><b>Protecting Existing Affordable Housing</b></p> <p>Councils develop a policy which incorporates a range of measures to protect affordable housing including:</p> <ul style="list-style-type: none"> <li>• Preparation of a social impact assessment should a DA propose to demolish or otherwise remove or cease the use of the land or building for affordable housing.</li> <li>• Conditions under which Councils may refuse a DA where it is likely there will be a severe and irremediable social impact because affordable housing is removed.</li> <li>• Councils require mitigation of adverse impacts arising from loss of affordable or low cost housing by contributions, agreements or other arrangements.</li> <li>• Councils accessing state or regional resources to pay compensation in order to protect existing housing.</li> </ul>	<p>Negotiation with DOPI</p>	<p>Local &amp; Regional Housing Workers</p>	<p>2014-2015</p>

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## Theme 5 - Support innovative alternatives in provision of new affordable housing

	Action	Lead /Partners	Resources	Timeline
19	<p><b>Alternate Housing Market Research Project</b></p> <p>Research project to explore alternate housing products and market for new types of affordable housing, in the Northern Rives, that operate (with special titles) at an ongoing discount to regular housing. Project is to investigate:</p> <ul style="list-style-type: none"> <li>• International and Australian case studies;</li> <li>• Exploration of various legal and financial mechanisms and how they could be implemented, options are to include, but not be restricted to the following: <ul style="list-style-type: none"> <li>○ Community land trust;</li> <li>○ Leasehold strata arrangements; and</li> <li>○ Perpetual shared-equity products;</li> </ul> </li> <li>• Market research and community consultation of both potential consumers (residents) and potential not-for-profit sector and private developers to see whether it is viable and supported within this region;</li> <li>• Barriers and solutions within existing NSW laws;</li> <li>• Recommendations to inform the development of a Northern Rivers Secondary Housing Market Policy that could be part of proposed Sub-regional Delivery Plans or Growth Infrastructure Plans.</li> </ul>	AHURI, NOROC	Regional Housing Officer	2014
20	<p><b>Northern Rivers Affordable Housing Innovation Pilots Project</b></p> <p>Project in four parts:</p> <ol style="list-style-type: none"> <li>1. Research project looking at international and national innovative affordable housing developments appropriate to a cultural, economic and environment context of the Northern Rivers Region, to be developed as a briefing paper.</li> <li>2. Engage university sector, particularly graduate and undergraduate architecture, landscape architecture and town planning schools to develop alternative models for development in rural/ regional areas.</li> <li>3. Develop a scoping brief including a range of possible examples and innovation affordable housing development ideas.</li> <li>4. Seek expressions of interest with the region to develop innovative pilots for affordable housing.</li> </ol>	Negotiation with DOPI	Regional Housing Officer with Senior Managers	2013 -

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