

Ref: HOG10/50751

Mr Mark Schofield
A/Director
Regional Projects
Department of Planning
GPO Box 39
SYDNEY NSW 2000

21 December 2010

Dear Mr Schofield,

**RE: Part 3A Major Project (07_0010) Concept Plan and Project Application
proposal for Residential, Commercial and Tourist Development and
Environmental works at Ocean Drive, Lake Cathie**

Reference is made to your letter dated 17 November 2010 advising of the public exhibition of the above application. Housing NSW welcomes the opportunity to comment on the application.

Background

As the Department of Planning will be aware, Housing NSW has significant assets within the Port Macquarie Hastings LGA. Housing NSW provides housing to low income households unable to obtain affordable and appropriate housing in the private sector. Housing assistance provided by Housing NSW is targeted to people in greatest need. Housing NSW land and housing assets are its major resource to continue to meet these current and future needs.

In addition, Housing NSW has a strong interest in promoting housing development that will service the needs of the community. Within the Port Macquarie Hastings LGA there is strong and growing demand for a range of housing types, particularly for one and two bedroom dwellings.

The Proposal

Housing NSW has undertaken a review of the documentation placed on public exhibition. Housing NSW has no assets directly affected by the proposed development. However, the following issues have been identified:

- **There is no provision for affordable housing or a range of housing types**

Housing NSW is concerned that the concept plan and supporting documentation does not include a consideration of the housing needs of the community. Housing NSW housing market information identifies that Port Macquarie Hastings LGA has large numbers of households living in housing stress. Further information in this regard is provided at Attachment 1.

Housing NSW is particularly concerned that the concept plan does not identify a need for affordable housing or for a range of housing types aimed at meeting the housing needs of the existing and future population. In addition, the Environmental Assessment report (page 109) states that the proposal involves a reduction in the medium density

footprint from that originally proposed by Council in the Lake Cathie Bonny Hills Master Plan. The medium, density areas have also been repositioned to areas with high aesthetic and scenic qualities. This is likely to limit the opportunities for smaller, more affordable dwellings within the proposed development area.

To address this shortcoming, the Department of Planning is requested to consider imposing the following as a condition of consent:

"Development is to provide a variety of housing (including affordable housing) to accommodate a range of income groups and increase housing choice."

The website for the Centre for Affordable Housing includes a Local Government Housing Kit which provides key data at an LGA level and outlines various planning mechanisms which can be implemented through environmental planning instruments to encourage affordable housing. The Kit can be found at:

<http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Government+Housing+Kit/>.

- **A Social Impact Assessment has not been submitted**

It is noted that the Director General's Requirements specify that a social impact assessment (SIA) is to be submitted with the application. Housing NSW notes that an SIA has not been provided. Consequently the future social needs of the population have not been addressed, along with other social aspects of the proposal. In particular, no consideration has been given to the implications of the proposed development for community service providers needs. Should the Department of Planning request the applicant to

submit a SIA, consideration could be given to requesting the applicant to consider the housing needs of the community (including the need for affordable housing) as part of the SIA process.

- **Sea Level Rise**

It is noted that the proposed development is located in close proximity to the beach. Housing NSW trusts that due consideration will be given to the impact of sea level rise on the proposed development. In time, sea level rises will have implications for housing availability and affordability.

Further information

Should you have any further queries please do not hesitate to contact Deb Kuhn, Manager Asset Planning on ph 6659 2551 or Sue Brown, Principal Planner, Portfolio Strategy and Urban Planning on ph 8753 8529.



Christine Hicks

Manager

Portfolio Strategy & Urban Planning

Housing NSW

21/12/10

Attachment 1

Information on Hastings Housing Market

INTRODUCTION

This information on Hastings Housing Market examines the affordability, adequacy and appropriateness of housing to meet the needs of the local community, with a particular focus on low and moderate income earners who may be in housing need. The term 'affordable housing' applies to housing that is appropriate to the needs of a household and within their means to pay for it.

Data for this housing market analysis has been drawn from the Australian Bureau of Statistics 2006 and 2001 Census, Centrelink, Rental Bond Board data, Valuer General's data and Housing NSW's Housing's asset database. For analysis purposes, Housing NSW's Housing Market Strategy groups the Port Macquarie-Hastings LGA as part of the Mid North Coast market together with Bellingen, Coffs Harbour, Greater Taree, Kempsey and Nambucca. These market groups have been identified largely on the basis of shared geographical, demographic, and socio-economic characteristics.

Attached to this analysis are a number of explanatory notes and fact sheets that elaborate on the information included in the housing market analysis. The explanatory notes discuss housing stress, adequacy and appropriateness of affordable housing stock, housing diversity as well as what can be done about these issues, broader housing market trends, plus where to look for more information. The fact sheets provide information on housing tenure, homelessness, caravan park accommodation and residents, the housing needs of older people and of younger people, key workers, indigenous housing and social impact assessment amongst other issues, along with some ideas on what can be done about these at a local level.

HOUSING MARKET

A Glance at the Market

At the 2006 Census, Hastings had a population of 68,430 (up by 6.1% from 64,483 in 2001). Hastings had a total of 28,497 occupied dwellings at the 2006 Census (up by 9.7% from 25,966 in 2001), giving an average occupancy rate of 2.40 persons per dwelling (down from 2.48 in 2001). This occupancy rate is below the average for non-metropolitan NSW of 2.53 (down from 2.62 at the 2001 Census) and the GMR 2.69 (down from 2.75 in 2001) and is lower than almost all its neighbouring LGAs with Bellingen (2.43 persons per household average), Coffs Harbour (2.49), Greater Taree (2.52), Kempsey (2.48) and Nambucca (2.36). All the local government areas in the Mid North Coast housing market have below non-metropolitan NSW average occupancy rates.

Indigenous Population

Hastings has an Indigenous population of 1,767 (up by 38.8% from 1,273 in 2001) or 2.6% (compared with 4.7% on average in the rest of NSW and 1.2% in the Greater Metropolitan Region at June 2006). This kind of increase in the indigenous population is in line with the trend in the rest of Australia and NSW. Neighbouring LGAs in the Mid North Coast housing market have indigenous populations ranging from 2.6% in Bellingen and Hastings to 9.3% in Kempsey. Across Australia the indigenous population is growing at three times the national average. Between 2001 and 2006 across Australia the indigenous population grew by 11%¹. Part of the growth in regional centres is due to a drift into urban areas and part due to the extremely high birth rate.

Housing Diversity

At the 2006 Census, 0.5% of dwellings in Hastings had no bedroom (bedsits), 4.3% had one bedroom, 21.3% had two bedrooms, 45.0% had three bedrooms and 26.8% had four (with 2.1% not stated). This means that at least 71.8% of dwellings in Hastings had three or more bedrooms. Separate houses are the predominant dwelling type in Hastings, comprising 74.7% of all dwellings, with units comprising 10.0%.

The overwhelming predominance of larger bedroom stock indicates a lack of housing diversity. Lack of diversity in housing configuration and type is a problem across NSW but is more acute in the outer ring local government areas of the GMR and in rural and coastal NSW.

Private Rental Market

General

The private rental market represents 18.6% of all occupied private dwellings in Hastings (up from 17.6% in 2001), compared to an average of 17.3% in non-metropolitan NSW and 21.9% for the Greater Metropolitan Region. The proportion of private rental stock in Hastings is comparable to Bellingen (17.9%), Greater Taree (17.7%), Kempsey (16.6%) and Nambucca (16.0%). Coffs Harbour has a greater proportion of stock in the private rental market with 21.6%. Coastal areas of NSW and major regional centres tend to have a higher proportion of private rental stock than less intensively populated rural and regional areas (for example Broken Hill has 11.5% of its stock in private rental, Gundagai 12.8% and Cooma-Monaro 16.7%).

It should be noted that the proportion of private rental stock in non-metropolitan NSW declined between 2001 and 2006 from 17.53% to 17.29%. Many inland rural local government areas lost occupied private rental dwelling stock between 2001 and 2006, even areas with population growth, such as Lismore. Within the Mid North Coast housing market Nambucca lost occupied private rental dwelling stock despite an increase in the overall dwelling stock and Coffs Harbour experienced a marginal decline in the proportion of occupied private rental stock.

People in Housing Stress

Using Centrelink data Housing NSW has calculated what proportion of people on low incomes in the private rental market and in receipt of Commonwealth Rent Assistance is paying more than 30% of their income as an indicator of housing stress (the attached explanatory note provides more information on housing stress). There are 5,682 people

¹ <http://www.srn.h.com.au/news/national/caught-out-by-an-rurban-time-bomb/2008/03/10/120...>

in Hastings in receipt of Commonwealth Rent Assistance. Of all those receiving Commonwealth Rent Assistance (CRA) in Hastings 30% are in housing stress. Single person households form the majority of households in housing stress in Hastings, comprising 63%, with single parents comprising a further 21%. This data indicates that the private rental market in Hastings is not catering particularly well to the needs of smaller households. This is impacting on older renters in Hastings as well, (with 18% in receipt of the Aged Pension) at a time when it is important for them to remain close to social and support networks, as well as a range of services. More information about housing stress and about the housing needs of the elderly is included in the attached explanatory notes.

From the 2006 Census, 60% of all low² and moderate³ income households renting in the private rental market in Hastings are in housing stress. This represents an increase of over 530 low and moderate income households renting and in stress from the 2001 Census and is above both the average of 56% across the GMR and 50% in non-metropolitan NSW. In the same housing market, Bellingen has 57% of low and moderate income renters in housing stress, Nambucca 59%, Greater Taree 54%, Kempsey 57% and Coffs Harbour 61%. It should be noted that Hastings has considerably more low and moderate income renters in housing stress than purchasers (1.5 times as many). Hastings has the fourth highest number of low and moderate income households renting and in housing stress in non-metropolitan NSW after Coffs Harbour, Tweed and Shoalhaven.

Caravan Parks

According to ABS data from the 2001 Census and Centrelink, there are a large number of people living permanently in caravan park accommodation in Hastings – ABS data noted 796 households on Census night in 2001. Of these 84.7% of households own their home and rent the site and the remaining 15.3% of residents rent both the van and the site. This is a relatively high proportion owning their van or manufactured home and renting the site. According to Centrelink data at the time of the 2001 Census, 75.1% of all caravan park residents in Hastings were in receipt of a pension or benefit.

According to the 2006 Census, there are 903 households living in caravans or manufactured homes in Hastings (not necessarily all in caravan parks⁴). Centrelink data from 2006 shows that 939 residents living in caravans in Hastings were in receipt of a pension or benefit.

Caravan Park accommodation provides a housing choice to people with limited housing options. Caravan parks provide housing to people who may not have the references to access housing in the private rental market, who may not be able to afford anything else or who need flexibility. The closure of caravan park accommodation or conversion to tourist sites reduces the housing options available for people on low incomes. Given the decline in the number of caravan parks across NSW, when a caravan park is redeveloped or there is a switch from long term to short term sites, residents are at risk of homelessness. In a recent research paper "Planning

² "Low income" households are those whose income is under 80% of the median household income.

³ "Moderate income" households are those whose income is between 80% and 120% of the median household income.

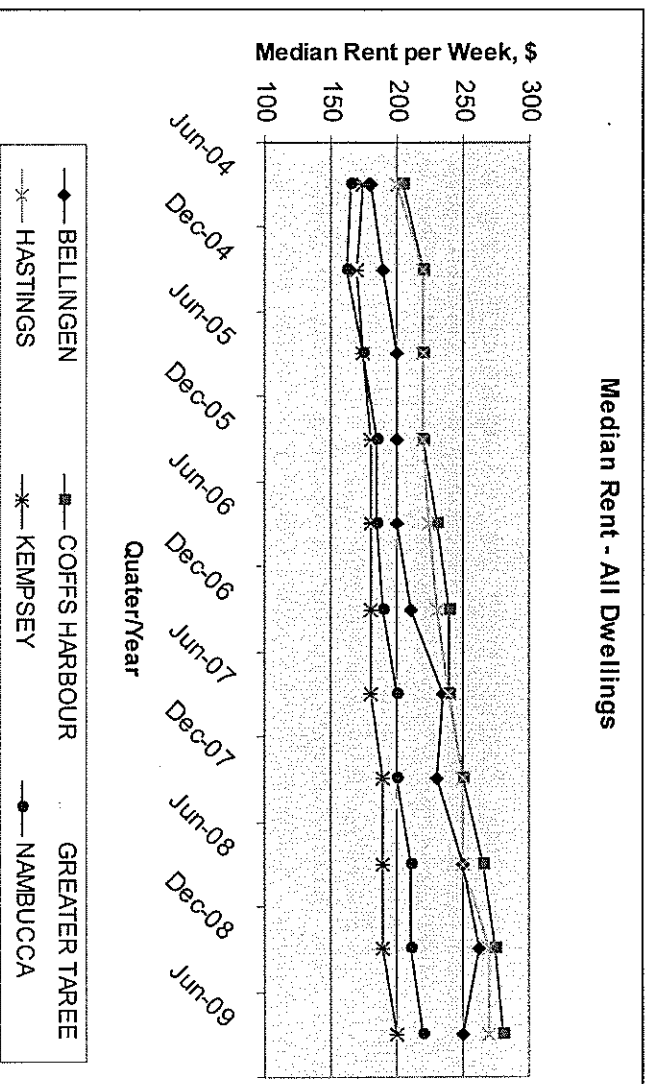
⁴ Prior to the 2006 Census, occupied caravans at roadside parking areas or on open land were classified as sleepers-out for the variable Dwelling Structure. For the 2006 Census, Caravans on roadsides/open land are treated as same as caravans in caravan parks.

for Affordable Housing in Coastal Sea Change Communities' by Nicole Gurran and Caroline Squires, the authors note that "Areas on the mid and far north coast of New South Wales have experienced significant declines in permanent caravan park accommodation. A total of 420 permanent sites are estimated to have been lost between November 2001 and January 2004 on the north coast... and a significant amount of remaining caravan park accommodation is at risk of being redeveloped." Additional information about caravan park accommodation and residents is included in the attached fact sheet.

Rental Affordability

At June 2008, the proportion of properties in the private rental market in Hastings that is theoretically affordable⁵ to households on 80% percent of median income⁶ was 52.3%, down from 60.3% just 12 months previously, at June 2007. At June 2008 the average proportion of affordable rental housing in non-metropolitan NSW was 60.0%, so Hastings is less affordable than the average for non-metropolitan NSW. The proportion of affordable rental dwellings in Hastings' neighbouring LGA's in the Mid North Coast housing market at June 2008 was Bellingen 64.0%, Coffs Harbour 43.3%, Greater Taree 79.0%, Kempsey 86.1% and Nambucca 83.0%. Hastings had the second lowest proportion of affordable private rental housing in the market, after Coffs Harbour. However, not all affordable private rental housing is occupied by lower and moderate income earners, as the attached explanatory notes and fact sheets explain.

The chart below shows the difference in median rental levels between Hastings LGA and its neighbouring LGAs of Bellingen, Coffs Harbour, Greater Taree, Kempsey and Nambucca over the period from June 2004 to June 2009. Rents have increased at a steady rate for all LGA's in the Mid North Coast housing market over this period, with Hastings having the highest median rent for all dwellings.



⁵ Based on 30% of income
⁶ Median income for metropolitan residents

At December 2009, the median rent in Hastings for one bedroom dwellings (all dwellings – houses and units) was \$170 (with a 9.7% increase in the last 12 months); median rent for two bedroom dwellings was \$230 (up 15.0% in the last 12 months); median rent for three bedroom dwellings was \$310 (with a 6.9% increase in the last 12 months); and median rent for four or more bedroom dwellings was \$380 (up 2.7% in the last 12 months). Median rental levels in Hastings were the second highest in the Mid North Coast marginally after Coffs Harbour, and were higher than the median rents for non-metropolitan NSW. The types of rental increases experienced over the last twelve months in Hastings are generally similar to the other LGA's in the Mid North Coast housing market.

Median Rents for all dwellings (houses and units) in Mid North Coast housing market December 2009. The annual change in median is in brackets.

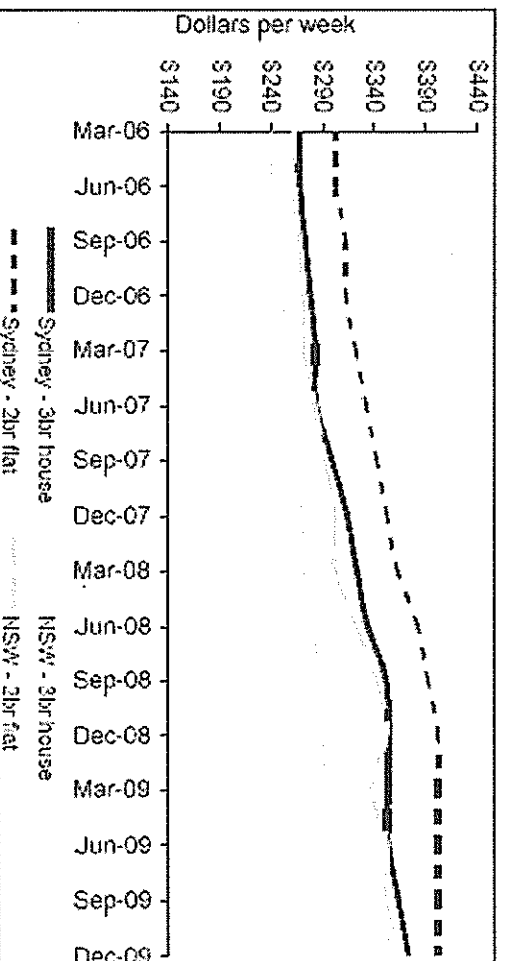
LGA	One bedroom dwelling	Two bedroom	Three	Four+
Hastings	\$170 (9.7%)	\$230 (15.0%)	\$310 (6.9%)	\$380 (2.7%)
Bellingen	-	\$200	\$280 (-)	\$335 (-)
Coffs Harbour	\$183 (4.3%)	\$230 (4.5%)	\$310 (3.3%)	\$380 (4.8%)
Greater Taree	\$140	\$190 (10.1%)	\$250 (5.3%)	\$300 (7.1%)
Kempsey	\$110 (-)	\$170 (3.0%)	\$225 (7.1%)	\$265 (-)
Nambucca	\$143 (-)	\$195 (6.8%)	\$250 (4.2%)	\$280 (-)
Non-metro NSW	\$150 (7.1%)	\$200 (5.3%)	\$260 (4.0%)	\$330 (3.1%)

Note: - indicates insufficient new bonds to reliably calculate the median rent.

According to the Real Estate Institute of NSW, vacancy rates for the Mid North Coast for January 2010 were 1.1%. Vacancy rates have been tight (below 3.0%) on the Mid North Coast since at least October 2007. As the explanatory notes point out, a vacancy rate of less than 3.0% is regarded as indicating insufficient supply of rental accommodation.

The figure on the following page gives a picture of the change in median rents in Sydney and NSW between March 2006 and December 2009. This contrasts sharply with the trend for median sales prices.

Trends in Median Rents – Sydney and NSW



Rent and Sales Report No. 90 December 2009

Private Purchase

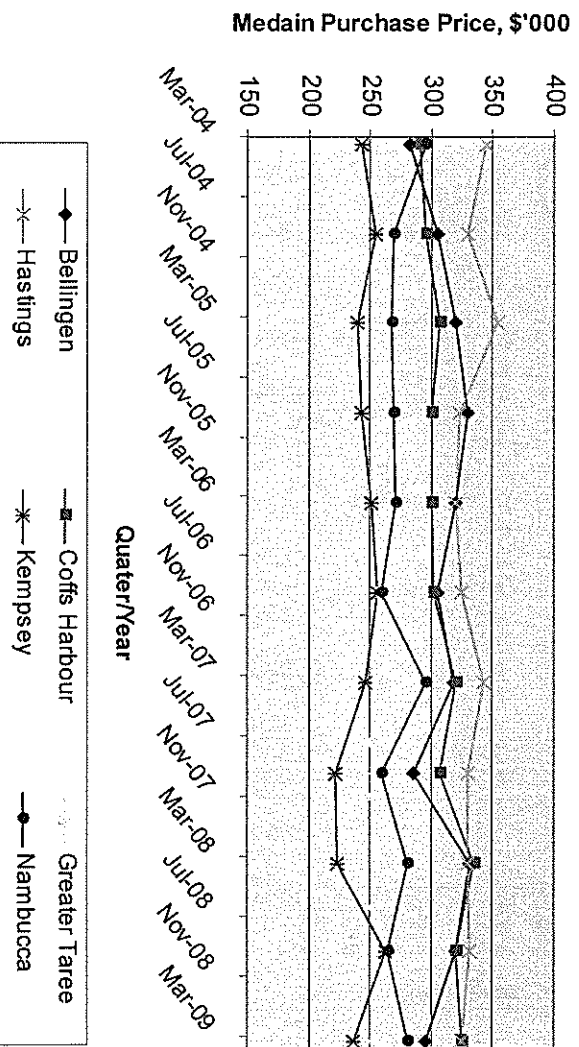
At June 2008, the proportion of dwellings affordable for purchase to households at 80 percent of median income⁷ was just 0.5% in Hastings (down from 1.6% 12 months prior in June 2007) and compared to the average across the GMR of 0.9% and 12.7% in non-metropolitan NSW. Clearly purchase affordability has declined to a point that it is extremely difficult for lower income households to purchase housing in Hastings. The proportion available for affordable purchase in Hastings is tighter than the average for the GMR. In the Mid North Coast, the proportion of affordable purchase at June 2008 in Bellingen was 1.3%, Coffs Harbour 0.8%, Greater Taree 7.5%, Kempsey 16.2% and Nambucca 3.5%. Affordable purchase is tight across the whole market and only Kempsey is more affordable than the average for non-metropolitan NSW.

From the 2006 Census, the proportion of low and moderate income households in Hastings who are purchasing and are in housing stress is 51%. This is an increase of 10.9% from the 2001 Census and is higher than the average for the rest of NSW at 2006 of 43%. The proportion of low and moderate income households purchasing and in stress in the other Mid North Coast housing market local government areas is 48% in Bellingen, 50% in Coffs Harbour, 43% in Greater Taree, 45% in Kempsey and 46% in Nambucca. Hastings has the fourth highest number of low and moderate income purchasers in housing stress in non-metropolitan NSW after Shoalhaven, Tweed and Coffs Harbour. As noted above, there are more low and moderate income renters in housing stress in Hastings than low and moderate income purchasers in stress.

The chart below shows the median purchase price for Hastings and its neighbouring LGAs over the period from March 2004 to March 2009. Sales prices increased rapidly between March 2002 and March 2004 in all local government areas in the Mid North Coast market and have subsequently plateaued, with Hastings having the highest median purchase price in the market.

⁷ Based on 30% of income

Median Purchase Price - All Dwellings



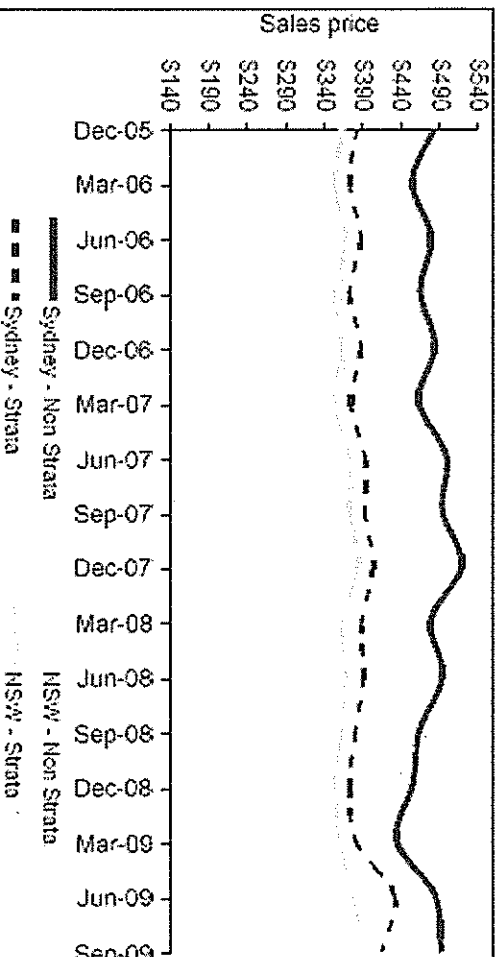
The median sales price for all dwellings (houses and units) in Hastings at September 2009 was \$330,000 (down 0.6% in the last 12 months). Hastings has the highest median dwelling price in the Mid North Coast housing market. Property values fell in all the Mid North Coast local government areas (with the exception of Greater Taree and Nambucca) over the last 12 months. Most of the local government areas in the Mid North Coast (including Hastings) had higher median purchase prices than the median for non-metropolitan NSW.

The median dwelling prices for the Mid North Coast housing market at September 2009 are in the table below. The generally stable or declining median dwelling prices over the last twelve months are in stark contrast to the strong increases in median rents over the same period.

LGA	Median Dwelling Price	Annual change
Hastings	\$330,000	-0.6%
Bellingen	\$300,000	-6.3%
Coffs Harbour	\$319,000	-0.3%
Greater Taree	\$255,000	9.0%
Kempsey	\$255,000	-3.9%
Nambucca	\$299,000	12.8%
Non-metro NSW	\$280,000	2.9%

The trends in median sales price for houses and units for Sydney and NSW are depicted in the figure below.

Trends in Median Sales Price – Sydney and NSW



Rent and Sales Report No. 90

Social Housing

There are currently around 1,075 social housing dwellings in Hastings, with 854 public housing dwellings, 43 Aboriginal Housing Office dwelling and 178 community office housing properties. At 2006 Census, public housing represented 2.9% of all housing in Hastings which is below the average of 3.5% for non-metropolitan NSW.

The majority of public housing tenants (household heads) in Hastings are in the 55 plus age group (55.9% compared to 42.0% on average in public housing in non-metropolitan NSW) and the majority are single person households (54.6% compared with 45.7% on average in non-metropolitan NSW). A significant proportion of public housing tenants in Hastings are in receipt of the Age Pension (33.3% compared with 21.7% in non-metropolitan NSW).

Key Issues

In Hastings key housing issues for the community include:

- Hastings has a high number of residents in housing stress. It has large numbers of CRA recipients in housing stress, low and moderate income earners in rental stress and low and moderate income purchasers in housing stress. However, like the rest of Australia, Hastings has more renters in stress than purchasers in stress.
- Vacancy rates are low and tightening, rents are rising, demand is increasing and the number of people in housing stress is increasing. There is a need to increase the supply of affordable rental housing.
- The fact that there are significant numbers of people living permanently in caravans in Hastings further underscores this point. The vast majority are very low income households reliant on income support. These residents are at risk of

losing their housing if there is any move from long term to short term sites or redevelopment of the caravan parks. The loss of this low cost housing would have significant impacts for the residents and flow on effects to the local housing market. The attached explanatory notes show what other councils are doing to protect this form of accommodation for long term residents.

- The fact that a significant proportion of CRA recipients in housing stress in Hastings are on the Aged Pension and that there are many older people living permanently in caravan accommodation in Hastings suggests there are insufficient affordable housing opportunities for older lower income earners. Housing for older people needs to be well located in relation to services, facilities and transport as well as accessible for those with mobility problems. More purpose built aged housing, or greater housing diversity, including accessory dwellings or granny flats, particularly targeted to lower income earners is required to meet the housing needs of older lower income Hastings residents.

- Lack of housing diversity. There is a need for more one bedroom, studio and boarding house style accommodation to assist in meeting the needs of the community through different stages of the housing life cycle and particularly for young people and elderly people on lower incomes. The fact that the majority of CRA recipients in housing stress in Hastings are single person households suggests the need for more one bedroom stock. New boarding house style accommodation could assist in meeting some local need.

- New more self contained boarding house style development may also assist in meeting the needs of lower income earning single people in the private rental market. The Explanatory notes provide more information on boarding houses and on the trend to more self-contained accommodation. This kind of accommodation is used by students, key workers and seasonal workers. Examples of the new generation boarding house development are shown on the Centre for Affordable Housing's website at <http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Gov+verment+Housing+Kit/Addressing+Affordable+Housing/Boarding+and+Lodging+Houses.htm>.

- Accessory or secondary dwellings (granny flats) may assist in meeting some of the demand for smaller dwellings in Hastings. Where lot sizes are large accessory dwellings could be encouraged to provide more affordable rental accommodation suitable for both younger and older residents. The Explanatory notes provide information on accessory dwellings, particularly Landcom's trial of different types of accessory dwellings. In addition, the Department of Planning's new SEPP on Affordable Rental Housing 2009 has information on granny flats and new more self contained boarding house style accommodation at <http://www.planning.nsw.gov.au/PlansforAction/Supportingaffordablerentalhousingpolicy/tabid/313/Default.aspx>

- The lack of affordable housing for purchase for low and moderate income earners. Purchase affordability is tight across the whole of Sydney and much of NSW, particularly in coastal areas. There has been a significant decline in the proportion of housing for purchase in Hastings that is affordable for lower income earners, to the point that it is now very difficult for lower income earners to find affordable purchase opportunities in Hastings. This is in part a reflection of the relative lack of housing diversity.

- The BankWest Key Worker Housing Affordability Report from May 2008 looked at nurses, teachers, police officers, fire fighters and ambulance officers in 540 local government areas across Australia. They examined housing affordability in terms of purchasing housing and they provide tables showing the house price to earnings ratio for each of those occupations at 2002 and 2007 for each of the 540 local government areas, and a determination of whether each of the 540 local government areas is affordable or unaffordable for purchase by those five key worker groups. According to the BankWest report Hastings is no longer affordable for purchase by any of the five key worker groups investigated – nurses, teachers, police officers, fire fighters and ambulance officers.

(More information on what can be done about these issues is included in the Explanatory Notes.)

2009 UPDATE

HOUSING MARKET ANALYSIS

EXPLANATORY NOTES AND FACT SHEETS

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PART A

EXPLANATORY NOTES

INTRODUCTION

A lack of appropriate, affordable housing to meet the diverse needs of the community is a common concern across New South Wales, though the nature of housing needs will vary considerably from place to place and household to household. To ensure a sufficient supply of affordable housing, active measures will be needed to stem the loss of affordable stock and encourage the provision of more affordable housing.

These explanatory notes and fact sheets have been prepared to assist in understanding the local housing market, local needs and issues and in considering a range of potential responses. Further information sources are identified in Part D. They include a link to the Local Government Housing Resource Kit which is now available on Housing NSW's website. The Kit provides step by step advice on how to develop a local housing strategy, as well as information on addressing affordable housing, the NSW statutory planning framework for housing and planning mechanisms for promoting affordable housing. It also includes a significant database with demographic, economic and specific housing data from a range of sources.

AFFORDABLE, ADEQUATE AND APPROPRIATE HOUSING

The term 'affordable housing' refers to housing that is appropriate to the needs of a household in terms of size, form and location and within their means to pay for it.

The Victorian Council of Social Service suggested in their 2005 report on The Victorian Housing Rights Tribunal that adequate housing is:

"housing which is habitable, accessible, affordable, in an appropriate location, has available services, offers security of tenure and is culturally appropriate." (p 5)

Affordability is generally measured by comparing the rent or purchase price of housing with the capacity of that household to pay (which is usually measured by reference to the level of household income). A commonly used benchmark of affordability for lower income households is where housing costs are below 30% of gross income. Whereas someone on a high income paying in excess of 30% of income may be able to live comfortably, for those on low incomes even paying 30% of income may be problematic financially and they are likely to face considerable difficulty finding suitable accommodation.

In their report, "Sustaining fair shares: the Australian housing system and intergenerational sustainability" 2008, Yates, Kendig, Phillips, Milligan and Tanton point out that:

"The key drivers of affordability outcomes are dwelling prices, rents, interest rates and household incomes. These are affected by the supply of and demand for housing, which, in turn, are affected by many factors. On the supply side, the cost of provision is affected by: the availability of land; land development processes and policies; infrastructure costs (including development charges); the cost of construction; and property-related taxes. On the demand side, key factors include: household growth (in turn, affected by natural increase, immigration, household formation); real incomes, real household wealth and the distribution of both income and wealth; tax concessions to both owner-occupied and rental housing; concessions to first home buyers; returns on alternative investments; cost and availability of finance for housing; and the institutional structure affecting housing finance provision." (p 22)

While some of these policy levers are beyond the control of local government, there are many that local government can have an impact on and/ or be responsive to.

WHY IS AFFORDABLE HOUSING IMPORTANT?

Housing is critical to meeting basic human needs for shelter, security and a sense of connection with communities. It is also linked with the success of those communities in a broader way. The availability of a suitable range of housing contributes to a community's ability to function in efficient, equitable, prosperous and sustainable ways. A mix of appropriate and affordable housing is needed, not only to meet household needs, but so that communities can maintain social cohesion, support the functioning of local economies, and sustain a range of local services and businesses.

There is a complex interplay of factors, as recognised by the Allen Consulting Group in their 2004 report on "Better Housing Futures, Stimulating private investment in affordable housing" for the Brotherhood of St Lawrence:

"Housing is a critical determinant of household wellbeing, labour market efficiency and social cohesion" and "Housing costs can have a significant impact on the ability of households to meet other basic needs." (pp 6 and 7)¹

The report sets out some of the problems for families and individuals resulting from a lack of affordable housing, including:

- Housing-related financial hardship, with a consistent relationship being found between housing costs and poverty;
- Family instability and breakdown, particularly due to difficulties in sustaining "normal family life" when reasonable requirements for shelter (security of tenure, size etc) are not met;
- Diminished labour market opportunities due to geographic factors;
- Low educational attainment, particularly when security of tenure leads to frequent moving, which in turn disrupts schooling and encourages truancy;
- A large body of evidence that links poor housing to a range of health problems;
- Providing appropriate and affordable housing is one of a range of measures to deal with criminal activity (pp 7-8).

The provision of a range of housing types at a range of prices has the potential to allow long term residents, both old and young, to remain as part of their community.

A 2007 Study by Prof Terry Burke² examined the impacts on financial well being of housing affordability problems by surveying over 2000 households, both renters and home purchasers. He found that:

"compared to a household below the 30% benchmark, a household paying more than 40% of their income in rent has 60% less likelihood of becoming an owner, twice the rate of having to sell or pawn possessions and almost twice the rate of children missing out on school activities. When low income home purchasers are compared on the same criteria, this reveals much lower rates of hardship compared to renters, but nevertheless high rates if considered in isolation."

Clearly there is a growing need for more appropriate, secure and affordable rental housing as more and more people will remain in the private rental market. How to encourage investment in such accommodation is a significant issue. (p3)

¹ Allen Consulting Group; "Better Housing Futures, Stimulating private investment in affordable housing" Report to the Affordable Housing Forum. Published by the Brotherhood of St Lawrence 2004

² Burke, Prof Terry; "Experiencing the Housing Affordability Problem: blocked aspirations, trade-offs and financial hardships", Financial Review Housing Congress 2007

Yates, Kendig et al are concerned that "over the passage of just one generation, housing access and affordability have deteriorated significantly." (p25)

THE CHALLENGE OF HOUSING AFFORDABILITY

Many households are struggling with the challenge of housing affordability. There are households with unmanageable levels of debt, those who are working excessive hours to pay for housing, those who have found affordable housing but are travelling long distances to work and services, families and groups living in overcrowded conditions or in substandard housing, and those who have housing but do without adequate food, heating or medication or who miss out on other opportunities as a result of housing costs which are too high relative to their income.

In their press release of 14 August 2008 "Record high mortgage defaults will add to NSW rental crisis" the Real Estate Institute of NSW state:

"Credit reporting agency Moody's has found that 12 of the 20 highest mortgage default areas in Australia are in NSW and that the number of mortgage defaults in the first quarter in 2008 were at record highs. The NSW rental market is already under immense pressure however the added impact of people defaulting on mortgages and moving from home owner to renter will only inflame an already critical situation."

There are a number of ways of looking at housing affordability and a range of "housing stress" indicators. The most commonly used stress indicator is discussed below, along with some of the impacts of housing stress.

PEOPLE IN HOUSING STRESS

Lower income households paying more than the benchmark of 30% of gross income on housing costs are generally said to be in "housing stress". The number or proportion of households in housing stress is often used to measure the lack of affordable housing. There are however also hidden impacts of a lack of affordable housing, for example where a household lives a considerable distance from jobs, services and social networks in order to access more affordable housing.

As well as people on pensions or benefits, lower income workers can be in housing stress. This group may include child care workers, sales assistants, hairdressers, bus drivers, fire fighters, carers, cleaners and clerks, as well as casual workers and professionals such as nurses. These lower income workers, who provide critical services to the community, may increasingly be priced out of the local housing market, or forced to pay more than 30% of their income in rent or purchase costs, or to locate some distance from jobs and services (at high personal and economic cost). More information on key workers and housing is included in a specific section in these Explanatory Notes and Fact Sheets.

Housing affordability is an issue for both purchasers and renters, with low income private renters generally being the most vulnerable. Some of the impacts of insufficient affordable housing on these groups are examined in the next section.

There are also lower income earners in extreme housing stress, paying more than 50% of their income in rent or mortgage repayments.

The St Vincent de Paul Society in their July 2007 paper "Don't Dream It's Over. Housing Stress in Australia's Private Rental Market" have provided case studies of families in extreme housing stress. They note that:

"Housing stress does more than just reduce household spending power. It has a significant effect on people's ability to get a job; it adds stress to relationships; makes it difficult for children to be educated; and, in extreme cases, can lead to homelessness. It also divides our cities and regions into separate enclaves of affluent and poor." (p2)

Terry Burke and Simon Pinnegar from the Australian Housing and Urban Research Institute presented a paper on "Housing affordability The household's experience" at the National Housing Conference in February 2008, outlining some of the impacts of extreme housing stress on households they had surveyed, expressed in the table below.

Type of Hardship	Lower income households paying 40+% of income in rent
My family has sometimes gone without meals	29.6%
My children have had to go without adequate health and/or dental care	38.7%
Approached a welfare/ community/ counselling agency for assistance	32.9%
Sold or pawned personal possessions	33.7%

Private Renters

People on low incomes living in rental housing are some of the most vulnerable people in the community and most at risk if there is any tightening of supply or price increases in the rental market. Amongst the most vulnerable groups will be young people, the elderly, Aboriginal people and people with disabilities because of their difficulty accessing private rental accommodation.

One way of examining housing stress for private renters is to look at Centrelink data for people who are receiving Commonwealth Rent Assistance (CRA). These are people who are on statutory or very low incomes, who are living in private rental properties and whose rent is high enough for them to qualify for additional financial assistance.

When assessing the adequacy of supply of affordable rental housing, it should be noted that lower cost stock is often occupied by moderate and higher income households which are able to compete favourably with lower income households, particularly in a tight rental market. A "Low Cost Rental Study" by Judith Yates and Margaret Reynolds³ for the Australian Housing and Urban Research Institute dated October 2003 found that across NSW only 60% of low rent dwellings were available for low income households (p8).

Home purchasers

Increasingly, for many lower and middle income households, access to the purchase market is out of reach and staying in that market can be difficult.

³ Yates, Judith and Reynolds, Margaret; "Low Cost Rental Study" for the Australian Housing and Urban Research Institute, October 2003

As Burke (2007 op cit) notes, one of the major concerns with the affordability problem is that fewer households can become purchasers and (p4)

"a large number of renters would appear to be trapped in the rental market, given that current income levels and the sort of income increases most households are experiencing will mean largish numbers will never make the transition to ownership. It is difficult to see any ownership assistance program getting sufficient number of households over the tenure line to reverse the trend to falling ownership."

In Burke's survey of home purchasers, 58% received the first home buyers grant. He found that more than half of purchasers had been forced to defer purchasing a home, largely due to income related issues (low income, lack of income or unstable or uncertain income). Burke found that 21.3% of respondents had difficulty finding a lender willing to loan to them and only 23.5% received financial assistance from parents.

Burke's study considers for those who have got in to the home purchase market, how well they are coping. He found that close to half stated they were experiencing difficulties (p9):

"The high proportions of debt, combined with limited savings and levels of financial difficulties, would suggest that a substantial minority of home purchasers are experiencing hard times and are vulnerable to any external shock, for example, economic downturn or further interest rates increases, or to internal stresses, for example, marital breakdown or loss or reduction of income. One consequence of the mortgage hardship was that 59.5% of all purchasers (surveyed) were unable to adequately furnish their home due to a lack of money."

"One of the reasons that some purchasers are having troubling 'remaining in' is that quite high proportions (57.1%) found they experienced unexpected housing costs after purchase, for example, repairs and maintenance, with some 24% claiming this is having a major affect on their household finances."

From Burke's work it appears many purchasers do not adequately consider the ongoing costs of housing in making their decision to purchase or determine their capacity to meet mortgage repayments. Having entered the market, they are experiencing problems meeting their commitments and staying in. (More information on housing tenure is included in a separate Fact Sheet, attached).

HOUSING CHOICE

Housing is needed in a range of sizes, forms and locations to meet the diverse housing needs of the whole community, not just lower income groups. If there is a lack of housing diversity, including a range of affordable rental housing, then housing stock will not meet the needs of the community through stages in the life cycle. Young people, for example, may have difficulty getting into the housing market and be forced to leave the area in order to establish a family. This may create serious difficulties for them and for their families if they are forced to move away from support networks. Older residents also face difficulties when, for affordability reasons, they may have to relocate from their local area in order to find suitable housing at a time when it is more difficult to re-establish social connections. (More information on housing for young people and for older people is included in specific fact sheets attached).

Single people face the greatest problems accessing suitable housing and represent the majority having difficulty affording rent. With only one income earner in the household, single income earners are at a disadvantage in the housing market. That disadvantage increases when they are young, Aboriginal, elderly or disabled, because they are less able to compete in the private rental market. It is also linked to the type of rental accommodation available. If the market provides predominantly three bedroom

accommodation, single person households can be forced to rent more housing than they need and can afford.

Squires and Gurran, 2006⁴ note that "the dominance of larger dwelling types and lot sizes on the coast can also limit the availability of lower cost housing, particularly for long term renters. In 2001, detached three-bedroom dwellings were the most prevalent type of housing in many areas of coastal New South Wales..." (p 3) The same issue applies in inland rural areas in NSW and in the outer ring of the GMR.

Many lower income earners and also older residents rely on public transport and prefer to live close to services and facilities. A range of housing types where there is good access to transport as well as services and facilities is important to meet the housing needs of the local community.

It is also important to ensure that there is a range of housing forms to suit the needs of different household types. For example, families with children are more likely to need homes with a reasonable amount of private open space, however denser housing forms with less private open space may be feasible where they are in close proximity to a range of parks, playing fields and outdoor play equipment. Older people and people with mobility problems are more likely to require homes on one level or flats with lifts – walk up flats and split level homes are not safe housing options for this group.

HOUSING MARKET TRENDS

According to the March 2008 AMP Natsem Income and Wealth Report "Wherever I lay my debt that's my home":

"Australia has one of the least affordable housing markets in the developed world....

Over the past two decades, the growth in house prices has outpaced the increase in incomes....

On average, across Australia, to purchase a typical house in 2005-06, a household would need more than seven times its annual disposable (after-income-tax) income. In contrast, in 1995-96, less than five times annual income would have been enough.....

In 2005-06 New South Wales continued to be the least affordable state, with the typical New South Wales household facing the prospect of their home costing more than eight times their annual after-tax income."

"Not surprisingly, in addition to being the least affordable state to buy a house, New South Wales is also the state with the highest rate of housing stress."

"Even outside the capital city in New South Wales, the housing affordability level was the worst of the non-metropolitan areas - and even exceeded the levels in the capital cities of other states."

"Over the ten years from 1995-96 to 2005-06 the amount a renter needed to get into the housing market increased for all income classes, but the crunch was particularly severe for the poorest. In 1995-96, the median house price was about sixteen times the annual disposable income of the poorest renters; this climbed to twenty-seven times a decade later."(p 5, 7, 9, 10 and 22)

⁴ Planning for Affordable Housing in Coastal Sea Change Communities, Caroline Squires and Nicole Gurran 2006

Rents

Over the last twelve to eighteen months rents have continued to increase and vacancy rates have continued to tighten. According to the September 2008 Rent and Sales Report prepared by Housing NSW, when compared to the previous year, median rents increased by \$50 in the Sydney SD and in the Inner Ring and by \$40 in the Middle and Outer Rings.

Outside the GMR, median rents for two bedroom flats/units increased by 9.4% over the year. Median rents for three bedroom separate houses increased by 9.1% over the year.

During the year, the number of new bonds lodged decreased (-4.2%) in the Sydney SD. Decreases also occurred in each of the three Rings and in the Rest of GMR.

A number of commentators forecast that with dwelling approvals at record lows Sydney rents are likely to continue to rise. As the CB Richard Ellis May 2008 press release "Sydney's two tiered residential market" suggests:

"The ResiLine report highlights that Sydney's rental unit market is largely being driven by cashed up generation X and Y renters, preferring to live in well located and fitted out units as opposed to houses. This helped support an 18.8% increase in Sydney's median rent in 2007.... Rents in the more sought after harbourside, riverside and beachside suburbs increased considerably in 2007. Rents in suburbs such as Bondi Beach and Hunters Hill jumped \$60 per week, while rents for Sydney CBD units rose by \$55 per week. Rental yields are currently 4.95%. With vacancies set to push even lower in the year ahead, ongoing rapid growth appears inevitable."

The Sydney rental market was the first hit with substantial rent increases and critically low vacancy rate, followed by regional NSW. With low investment activities expected in the short term, the Sydney rental market is likely to remain tight. The expected undersupply and high demand is likely to mean continued significant rent increases. Low-income households will be most affected by a tight rental market, as they already have to compete with moderate-income households for low cost rental accommodation.

The chart below is from the ANZ Housing Snapshot, 4 October 2007 and shows how, across Australia and particularly in NSW, vacancy rates have fallen sharply since 2002. They anticipate that this tightness in the private rental market will continue to be reflected in substantially higher rental levels.



HOUSING MARKET ANALYSIS: EXPLANATORY NOTES AND FACT SHEETS

Traditionally a vacancy rate of 3% is understood to represent a balance between supply and demand for rental housing. Less than 3% is regarded as a tight market (with insufficient supply). According to the Real Estate Institute of NSW:

Residential vacancy rates in NSW for October 2007 to November 2008

	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08	Jan-08	Nov-07	Oct-07
SYDNEY													
Inner	1.3	1.1	1.5	1.4	1.2	1.4	0.9	1.2	0.9	0.9	1.3	1.0	0.8
Middle	1.2	1.1	1.1	1.2	1.3	1.1	0.8	0.9	0.7	0.9	1.1	1.1	1.1
Outer	1.3	1.0	1.1	1.1	1.0	0.9	0.8	1.0	1.4	0.9	1.1	1.1	1.0
Total	1.3	1.1	1.2	1.2	1.2	1.1	0.9	1.0	0.8	0.9	1.2	1.1	0.9
HUNTER													
Newcastle	1.7	1.6	1.6	1.6	1.5	1.8	3.1	1.5	0.9	1.0	1.6	1.4	1.4
Other	1.8	1.4	2.1	2.6	1.6	1.8	1.9	2.2	2.0	1.8	1.8	1.7	2.0
Total	1.8	1.5	1.8	2.1	1.5	1.8	2.2	1.9	1.5	1.3	1.7	1.5	1.7
ILLAWARRA													
Wollongong	1.9	2.2	1.4	2.1	2.3	1.3	2.0	1.5	0.7	1.5	2.2	2.6	2.1
Other	0.7	1.9	2.4	2.6	2.3	3.4	1.6	1.9	2.6	1.0	1.5	1.4	2.3
Total	2.1	2.1	1.8	2.3	2.2	2.2	1.6	1.6	1.7	1.3	1.8	2.3	2.2
CENTRAL COAST	2.2	2.2	3.0	3.1	3.2	1.8	2.7	2.7	1.8	2.4	2.2	2.1	2.4

	Nov-08	Oct-08	Sep-08	Aug-08	Jul-08	Jun-08	May-08	Apr-08	Mar-08	Feb-08	Jan-08	Nov-07	Oct-07
ALBURY	3.7	3.4	3.0	3.3	3.7	4.1	3.1	3.0	2.7	3.7	3.6	2.8	3.1
CENTRAL WEST	4.2	4.7	4.4	2.5	2.4	4.0	3.0	3.4	4.3	3.7	4.8	4.7	4.0
COFFS HARBOUR	4.0	2.9	4.1	3.4	4.6	4.9	4.0	3.8	3.5	5.3	3.6	1.5	1.2
FAR WEST	-	-	-	-	-	-	-	-	-	-	-	-	-
MID-NORTH COAST	1.9	2.7	2.4	2.4	2.1	2.6	2.1	2.0	2.3	1.4	1.6	1.4	2.6
NEW ENGLAND	2.2	3.9	4.1	4.0	4.0	4.7	3.4	3.6	3.7	3.0	3.3	2.7	4.0
NORTHERN RIVERS	1.8	2.8	1.9	2.0	1.9	1.7	2.4	1.5	2.8	1.5	1.9	1.0	1.6
ORANA	3.4	3.6	2.6	2.0	1.7	2.4	3.3	1.8	1.7	2.7	3.1	3.0	2.3
RIVERINA	1.9	2.6	2.7	2.7	2.6	3.3	2.3	3.4	3.6	3.4	2.6	1.8	2.1
SOUTH COAST	2.5	3.4	4.1	4.0	3.8	3.8	3.6	4.0	2.6	4.0	2.1	3.3	4.8
SOUTH EASTERN	1.1	2.5	3.7	2.7	3.8	2.0	3.3	1.2	0.6	0.8	1.4	2.6	1.8

However the overall vacancy rate may mask the fact that at the lower end of the rental market there is insufficient supply of affordable rental – in other words the overall vacancy rate may be over 3% but for low rental accommodation the vacancy rate might be only 1.2% and therefore there may still be insufficient affordable rental to meet demand.

Tight vacancy rates will continue to place pressure on rental levels.

House Prices

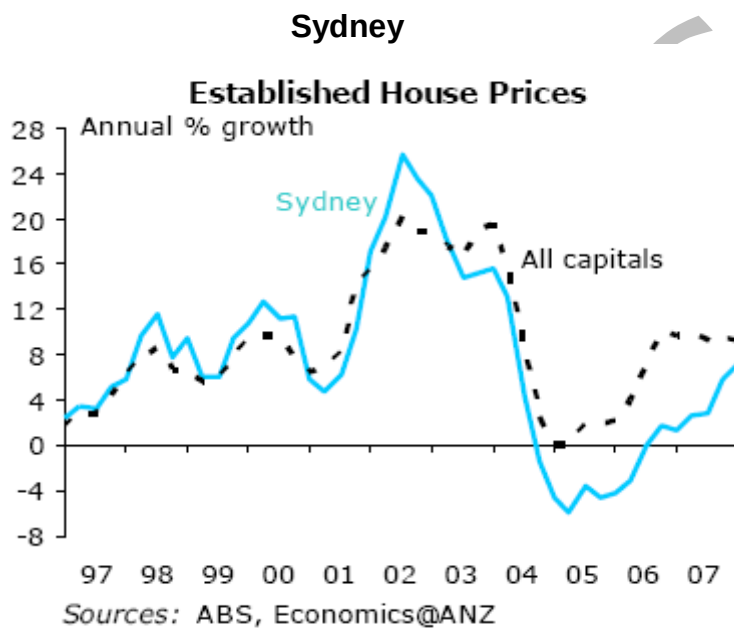
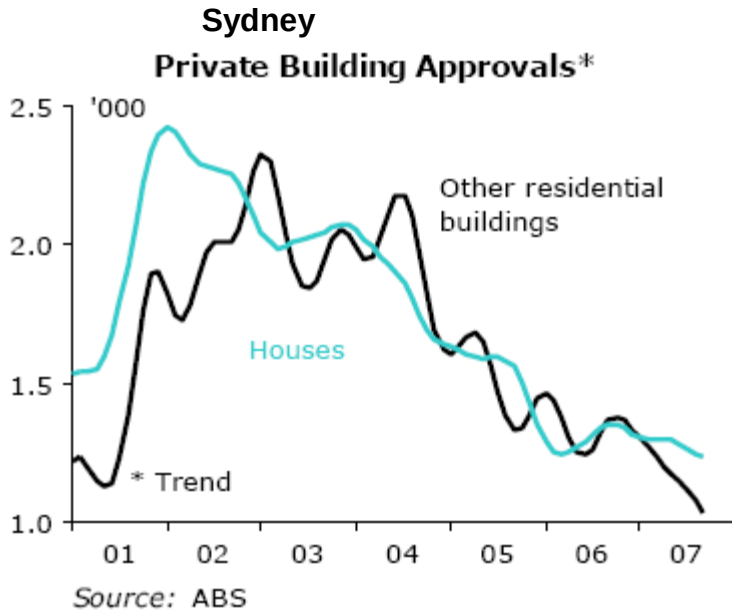
According to the Rent and Sales Report, the median sales price for all dwellings across the Sydney SD decreased by -5.3% over the year (at June 2008). In the last twelve months, the median sales price decreased in the Inner Ring (-2.2%), Middle Ring (-2.9%), Outer Ring (-5.5%) and in the Rest of GMR (-2.4%).

The October 2007 ANZ Housing Snapshot states that:

"A lacklustre housing performance has mirrored a weak economy.....a significant rebound in building may still be some way off despite unparalleled housing market tightness (approvals are running at half the level of the underlying requirement with a shortage of 30,000 dwellings at June 2007). Market pressures are likely to build rapidly from here."

They suggest that with an increase in prices, affordability is likely to further deteriorate. Below are two graphs from the ANZ October 2007 Housing Snapshot showing the decline

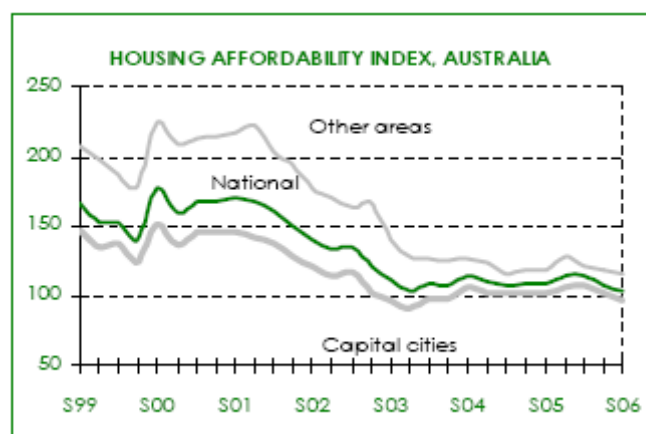
in building approvals over the last decade in NSW and growth in established house prices over the last two decades in Sydney against the other capitals.



Long term trends in affordability

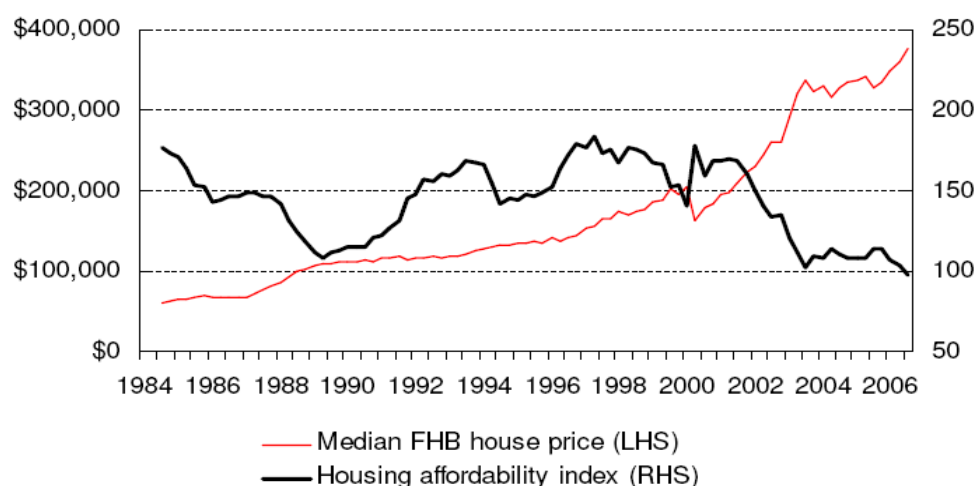
There is a long term underlying trend of declining affordability. As noted above, increases in incomes have not kept pace with increases in house prices. The gap between median house prices and average weekly earnings has widened considerably.

The HIA Commonwealth Bank Affordability index measures housing affordability for first home purchasers, taking into account median first home purchase price, interest rate and average annual household income. Their January 2007 report provides a chart showing the decline in housing affordability between 1999 and 2006.



Judy Yates 2007 paper⁵ for the AHURI conference on Commonwealth State relations charted housing affordability (using the HIA CBA index over a longer time frame) against median house price for Australia:

Housing affordability



Source: HIA-CBA Affordability Reports

This shows the steady increase in house prices against the longer term trend to decline in affordability and that the gap between the two is the widest it has ever been since 1984.

⁵ Yates, Judith; "An analysis of contemporary outcomes from the Australian housing system," AHURI Sydney Research Centre, University of Sydney, Melbourne 19 April 2007

PART B

RESPONDING TO HOUSING NEEDS

GOVERNMENT HOUSING ASSISTANCE

- There have been fundamental changes in Commonwealth Government provision of funding for housing assistance. The Commonwealth has introduced:

- o The National Affordable Housing Agreement. This replaces the Commonwealth State Housing Agreement and introduces a number of partnership agreements, including one on social housing and one on homelessness. The new NAHA commenced on 1st January 2009 and covers all Government housing programs from home ownership to homelessness. As outlined on the FAHCSIA web site, the Council of Australian Governments (COAG) has agreed to nearly \$10 billion in funding for the National Affordable Housing Agreement (NAHA) and its associated National Partnership payments.

The National Partnership agreement on Social Housing will establish a Social Housing Growth Fund, which will be spent on building additional public and community housing including specialist accommodation for people who are homeless.

The funds from this agreement will need to be spent over the next 18 months as an immediate stimulus, providing a boost to the building and construction industry.

- o The National Rental Affordability Scheme. This is an initiative to stimulate the supply of up to 50,000 new affordable rental dwellings up to 2012, with possibly a further 50 000 to be made available post July 2012, subject to demand. Under the Scheme successful applicants will be eligible to receive a National Rental Incentive for each approved dwelling, on the condition that they are rented to eligible low and moderate income households at 20 per cent below market rates. Round one will see a total of 507 affordable rental dwellings in NSW over the next five years. Applications for round two close on 27th March 2009.

The Incentive will be provided annually on the condition that throughout the ten year period of the scheme the dwelling is rented to eligible low and moderate income households.

The tenant eligibility criteria will ensure the National Rental Affordability Scheme is open to families on low and moderate incomes, individuals who are looking to rent a property for the first time, and singles in private or public rental accommodation, including people working or undertaking study or training.

- o First home saver accounts. This is a savings account designed to offer a simple, tax-effective way of saving for a first home, through a combination of government contributions and low taxes, available from 1st October 2008.
- o The Housing Affordability Fund. This fund will invest up to \$512 million over five years and is aimed at lowering the cost of building new homes in Greenfield areas, by addressing holding costs and infrastructure costs.
- o The White Paper on Homelessness, *The Road Home*. It has a strategic focus to halve overall homelessness and offer supported accommodation to all rough sleepers who need it.

- o A Place to Call Home is an initiative of the Commonwealth Government which aims to reduce levels of homelessness in Australia by providing secure housing. Funding of \$150 million over 5 years will be provided by the Commonwealth, with an equal matching requirement from the States. Planning for the implementation of the initiative commenced in 2007/08. NSW will receive approximately \$38.8 million over five years, with an expectation that 155 dwellings will be provided.
- In addition, the Commonwealth Government provides limited rent assistance to those on lower incomes renting in the private rental market and Housing NSW also provides short term rental assistance to eligible households to assist them to secure accommodation in the private rental market through the payment of bond, rent in advance, and in specific circumstances to meet rent arrears.
- The NSW government provides social housing through Housing NSW, the Office of Community Housing and the Aboriginal Housing Office for those on very low incomes and most in housing need.
- Housing NSW's Mortgage Assistance Scheme provides short-term help through a repayable, no-interest loan, if a homeowner is experiencing temporary difficulties with home loan repayments through unemployment, having suffered an accident, illness, some other crisis or unavoidable event. The Commonwealth also provides funding assistance to home purchasers through the First Home Owners Grant.
- The NSW Government is developing a Homelessness Framework. The priorities, strategies, actions and performance measures of the Framework will form the basis of the Implementation Plan for the National Partnership on Homelessness. The finalised Framework will also form the basis of the development of a Priority Delivery Plan on homelessness as part of the scheduled review of the NSW State Plan. The Priority Delivery Plan will provide the mechanism for the governance of NSW Government's response to homelessness.
- The Centre for Affordable Housing is a business unit of Housing NSW, which works with State and local government, non-profit organisations, and private companies to generate creative responses to declining housing affordability. There are a number of services the Centre offers organisations to help them deliver affordable housing as part of a financially viable project: brokering, initial assessment, technical advice, investment and feasibility analysis, good practice advice and material assistance. Further information is available on the Housing NSW website.

THE AFFORDABLE RENTAL HOUSING SEPP 2009

State Environmental Planning Policy (Affordable Rental Housing) 2009 commenced on Friday 31st July 2009.

The SEPP:

- supports new housing projects which contain a mix of both market-priced and affordable dwellings, allowing such projects to be integrated into existing suburbs.
- allows low-rise developments up to 8.5m (generally two-storeys) in height, such as villas and townhouses, to be proposed in all urban residential zones in the Sydney region as long as the proposal is close to public transport and contains 50 per cent or more affordable housing for a period of ten years. Outside the Sydney region, the proposal can be made in all urban residential zones – as long as the 50 per cent affordable housing test is met. There is a short-term additional building floor space incentive for proposals lodged before June 2011 to encourage home building during the current weaker economic conditions.

- allows developers to apply for a floor space bonus provided at least 20 per cent of the flats are affordable rental housing, in areas where residential flats are already permissible under local or other State instruments.
- enables private sector developers who have entered into a joint venture partnership with Housing NSW to propose a residential flat building close to Sydney train stations and 32 nominated major NSW regional cities and towns without the need for a rezoning.
- allows non-government social housing projects to utilise the provisions, subject to the same affordable housing conditions as apply in the SEPP .

The affordable housing within these developments must be managed by a registered community housing provider for least 10 years to ensure the units are let at affordable rents to genuine low and moderate income households. The fact the dwellings are affordable housing must also be registered on the relevant land title so that anyone buying the units is aware of this. Other units within the development can be sold immediately at market value to help subsidise the percentage that must be affordably rented for 10 years.

In addition the SEPP

- specifically supports granny flats or secondary dwellings by making them permissible in all residential zones across the State. Granny Flats are not allowed to be subdivided from the main block but can provide accommodation for family members or be sub-let to tenants.
- encourages new investment in new generation more self contained boarding houses from large and small investors by making this kind of boarding house development permissible in all residential and appropriate business zones and providing a floorspace bonus to encourage boarding houses in areas zoned for flats which would otherwise be uneconomic to develop.
- enables support services (such as counselling and life skills development) to be provided within existing flat buildings and boarding houses so that these buildings can be operated by not-for-profit organisations and charities as long-term housing for homeless people.
- streamlines the development of group homes by public and private social housing providers. Under the SEPP, the Department of Ageing, Disability and Home Care and other public authorities can self-approve group homes of up to 10 bedrooms.

The new SEPP will incorporate the core existing provisions of SEPP 10 (which will now be repealed) and also makes some improvements.

Further, under changes introduced earlier in 2009, Housing NSW became the consent authority for its own small-scale public housing developments of 20 or fewer units and up to two-storeys (8.5m high).

A copy of the SEPP, guidelines and information about new generation boarding houses, group homes, granny flats and floor space incentives is available at the Department of Planning's website at:

<http://www.planning.nsw.gov.au/PlansforAction/Supportingaffordablerentalhousingpolicy/tabid/313/Default.aspx>

LOCAL RESPONSES

- Councils can use local planning instruments to encourage a range of housing types with a variety of housing configurations (that is a mix of one, two, three bedroom and larger housing stock) to meet the current and likely future needs of those in the community. Local Government can also introduce specific initiatives to facilitate boarding houses, caravan parks and manufactured home estates, studio dwellings, shop top housing, granny flats or accessory dwellings, Senior's living housing and other innovative forms of housing where appropriate to the needs of the community. In lower density areas, diversity can be introduced by encouraging compatible small lot housing forms such as villas, townhouses, duplexes/semi-detached and triplexes (three dwellings in one). Further information about boarding houses and caravan/residential parks is outlined in separate Fact Sheets.
- In addition to encouraging a diversity of housing including smaller dwellings, Council planning instruments can facilitate provision of affordable housing options. Attention should be given to identifying and avoiding the use of controls that may unnecessarily add to housing costs, such as overly generous site area, car parking and landscaped area requirement.
- Planning mechanisms can also be used to protect existing affordable housing and encourage more affordable housing (see "Using Planning Mechanisms" below for further information). Planning instruments can be used to protect particular types of low cost housing, such as caravan parks, through controls on demolition, change of use, or the proportion of existing or replacement accommodation that must be retained for permanent residents. Planning incentives for development in high value locations can contribute financially to a local affordable housing program.
- Councils can require a social impact analysis to be undertaken for proposals (particularly major development proposals) that might impact on the housing market or affect the well being of lower income groups or those with other special needs, such as the aged or those with a disability. Such a requirement can be implemented as a matter of council policy or have statutory basis through a land use plan. The Environmental Planning and Assessment Act now supports the use of voluntary planning agreements to secure contributions for affordable housing where a development is likely to cause social impact generating such a need. Further information is available in the Fact Sheet on Social Impact Assessment.
- See also the attached fact sheets on housing tenure, boarding houses, caravan parks, homelessness, older people, young people, key workers, indigenous people and housing in non-metropolitan NSW.

Local examples include:

- Parramatta City Council has objectives and measures in their DCP which encourage housing diversity.

Design Principles

P.1 The following mix is to be used as a guide for residential flat buildings, high density housing, the residential component of mixed use developments and residential developments that require a masterplan under Parramatta LEP 2001 :

3 bedroom 10% - 20%

2 bedroom 60% - 75%

1 bedroom 10% - 20%

Developments containing less than 10 dwellings may vary this mix providing a range of dwelling sizes are represented.

See the DCP at:

http://www.parracity.nsw.gov.au/home/publications/development/development_control_plan

- Similarly Newcastle City Council encourages social mix, housing choice and affordable housing in commercial development:

6.1.9 b) Social mix and housing choice

Objective

- Maximise housing choice and maintain and strengthen the cultural and socio-economic diversity in the local population.

Specific Provisions

- i) Multi-unit developments shall provide a variety of housing types in a range of styles and sizes including 1, 2, 3 & 4 bedroom units, courtyard housing, home offices, lofts, bed-sits, studio apartments and other diverse forms.
- ii) Multi-unit developments shall cater for a mix of household types including singles, couples, families, groups of singles, elderly people, people with disabilities and lower income earners.

6.1.9 c) Affordability

Objective

- Develop quality affordable housing options to ensure a vibrant social mix of residents.

Specific Provisions

- i) Bonus FSR provisions may apply for affordable housing with options including the granting of a unit of affordable housing in perpetuity to Council, the provision of a rent capped unit for a period of time or the granting of a cash contribution in lieu of provision. (Councils Housing Officer can provide advice in regards to affordable housing).
- ii) Provision of smaller 1, 2 and 3 bedroom units without dedicated car spaces should also be considered, as this is a way of providing a broad price range of dwellings

See the DCP at

http://www.ncc.nsw.gov.au/building_and_development/newcastle_development_control_plan_2005

[Element 6.01 Commercial development 11 October 2005](#) 88.8 kb pdf

- Accessory dwellings, also known as granny flats or extended family units are now enabled under the State Environmental Planning Policy (Affordable Rental Housing) 2009 (see above). Landcom has developed accessory dwellings at Hunterford, North Parramatta in the form of garage top studio apartments and in Newbury. Landcom is developing and testing a new form of accessory dwelling in Narwee called loft apartments on top of garages which are separately titled. For more information see Landcom's study on accessory dwellings at; <http://www.landcom.com/moderateincomehousingresearch.aspx#ADU>.
- See the NSW Local Government Housing Kit at <http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Government+Housing+Kit/> for other examples.

USING PLANNING MECHANISMS

There are three key options local government can consider for developing affordable housing:

1. Planning incentives;
2. Planning agreements; and
3. Joint projects with other organisations.

This section describes each of these options and provides examples of where they have been implemented.

1 Planning Incentives

The major planning incentive used to encourage affordable housing is an increase in density, although other incentives are possible, such as rate or parking concessions. Density increases can be delivered in two ways:

- Incentive based development – This approach provides developers with the option to develop land at the current permissible rate or higher levels. If higher levels are chosen it is acknowledged that there will be a need for higher infrastructure provision, which could include affordable housing. South Sydney City Council proposes to use this option for the development of the Green Square Town Centre and North Sydney Council has used it to assist in the redevelopment of the North Sydney railway station. A developer can take up this approach voluntarily as a result; councils would not require coverage under SEPP 70 or a similar SEPP to adopt this approach.
- Density bonus programs – Density bonuses can be used to target small or large redevelopment sites, but only where the increased density has no unacceptable environmental impact on the surrounding development. It is important that density bonus schemes operate within a rigorous framework so that decision making is transparent. Waverley Council uses this mechanism as the basis of its Affordable Housing Program.

The benefits of these arrangements are that there is no net cost increase to developers in that the additional development capacity offsets the costs incurred in providing affordable housing. There are also no environmental or social costs to community.

Green Square Town Centre – Incentive based development

The *Draft South Sydney Local Environmental Plan 1998 – Green Square Town Centre Scheme* provides the framework for this mechanism. The draft scheme does not rezone land from its current industrial use, but instead allows developers to elect to take up additional development potential. Should developers choose to take up the additional development potential, they are to provide essential infrastructure, such as drainage and embellishment of open space, and certain land for public space and roads. The implementation guidelines for the scheme are currently being developed, but it is proposed that an agreement to provide this essential infrastructure would have to be signed before a development application would be considered by Council.

While Council has not required provision of affordable housing in this case, it would be possible to do so.

North Sydney Centre – Incentive based development

The *North Sydney Local Environmental Plan 2001* includes a division for the North Sydney Centre that allows developers a choice between developing land in the area at its current capacity or increasing the allowable floor space area they can develop. If they choose to increase the developable area the Director General of the Department of Infrastructure, Planning and Natural Resources must be satisfied that adequate provision has been made for railway infrastructure due to the extra demand generated by the

development. This would have to be certified by the Director General before consent was granted.

Again, Council has not required provision of affordable housing in this case, but it would be possible to use this mechanism for that purpose.

Waverley Council – Density bonuses

Waverley Council's Affordable Housing Program offers density bonuses to private developers in exchange for providing affordable housing in private residential developments. The aim of Council's Affordable Housing Program is to provide affordable housing for local households on low to moderate incomes and to deliver affordable housing within private residential developments to maintain the socio-economic mix of the community.

The major resources for Waverley's Affordable Housing Program are its:

- Planning instruments – the *Waverley Local Environmental Plan 1996* and the *Waverley Development Control Plan for Multi-Unit Housing* define the density bonus mechanism. In return for the provision of affordable housing (either in perpetuity or for a specified duration, rent-capped at a level below market rent), developers may increase the floor space ratio of their development, develop a larger building envelope or do a combination of the two.
- Affordable housing calculator – the calculator determines the land value increase due to the density bonus and apportions this increase between the developer and Council. Council aims to achieve a 50% share of the land value increase if the affordable housing is provided on the site or a 75% share if the developer makes a cash contribution.

These instruments ensure consistency and transparency in the way that density bonuses are applied.

Waverley has generated 21 affordable housing units⁶ through its Affordable Housing Program (10 owned by Council and 11 on fixed term rental agreements with developers for periods from 1 to 25 years). All of these units are managed by a community housing provider. Council aims to deliver 15 units a year through this mechanism.

2 Planning Agreements

A planning agreement is a legally binding agreement between a planning authority and a developer. Planning agreements can be used as a way of negotiating affordable housing contributions with developers. They may involve councils offering incentives, such as density bonuses or car parking incentives, in return for affordable housing contributions, but in some development circumstances it may be possible to negotiate contributions through other means.

In its report to the former Minister for Urban Affairs and Planning on the review of the developer contributions system⁷, the Section 94 Review Committee noted that planning agreements are appropriate for large sites or where development is staged and as a result it may be difficult to determine Section 94 contributions. Planning agreements allow greater flexibility to negotiate appropriate solutions in these cases. They tend to work best when the consent authority is negotiating with one party, rather than a number of landholders.

The Review Committee recommended that the *Environmental Planning and Assessment Act 1979* be amended to formally recognise planning agreements as another way of

⁶ Fifteen of these units are completed and six are under construction.

⁷ Section 94 Review Committee, 2000, *Review of the Developer Contributions System – Report to the Minister for Urban Affairs and Planning*, Department of Urban Affairs and Planning, Sydney.

negotiating development contributions. On 18 May 2005 the Environmental Planning and Assessment Amendment (Development Contributions) Act 2005 No 19 was assented to. The Act provides a framework for the use of planning agreements. It authorises planning authorities to obtain development contributions for any public purpose through voluntary planning agreements with developers. The requirements permit planning agreements to be utilised when a change is sought to an environmental planning instrument (rezoning) or at the development application stage.

The Act allows dedication and contribution toward a public benefit, which specifically includes the provision of and the funding of recurrent expenditure relating to the provision of affordable housing. Additionally, any public authority approved by the Minister is entitled to be an additional party to a planning agreement and to receive a benefit under the agreement on behalf of the State.

The ADI site

The NSW Government entered into a planning agreement with Blacktown City Council, Penrith City Council, ComLand and Delfin Lend Lease for the Australian Defence Industries site at St Mary's, which will be developed over 11 years from 2004. One of the objectives in developing the site was to ensure that it provided a range of housing options, including affordable housing.

The NSW Government was able to negotiate that if consent for residential development was obtained, the developer would provide a range of infrastructure to support the development, including setting aside 3% of all residential lots as affordable housing.

This will result in 150 lots distributed throughout the site that can be used for affordable housing.

3 Joint Projects

Joint projects are possible where local government has access to land suitable for redevelopment, cash or other resources that it can use to develop affordable housing. A number of different projects are possible, including:

- Joint ventures with private developers. A partnership with a private developer can achieve affordable housing at reduced cost and risk to councils.
- Self-build projects where 10 to 15 households work together to build houses. The value of each person's labour gives them equity, which assists them to secure financing to buy their own homes.
- Debt equity projects where community housing providers use their own funds and debt finance plus resources from the Centre for Affordable Housing and other potential partners, such as local councils, to develop affordable housing. Debt Equity is a recently established program and as a result there are no current project examples.

Joint Ventures – the Inkerman Oasis project

The Inkerman Oasis project was a joint venture between the City of Port Phillip Council and Inkerman Development Pty Ltd to redevelop surplus Council land into a mixed income residential project. The aims of the project were to deliver a mix of private and affordable housing that meets the diverse needs of the community and to reduce Council's costs and risks by working with a private developer.

The inputs to the project were:

- Site planning and preparation – Council developed a master plan for the site and paid for its remediation;
- Land – Council contributed the land for the project; and
- Private finance – Inkerman secured finance for the construction costs of the project.

The project produced:

- 28 units of affordable housing and repayment of master planning and site remediation costs for Council – Council has taken ownership of 15 units so far and another 13 units will come into its possession at the completion of stage 2 in 2005;
- 208 units of housing for Inkerman Development;
- Integrated art and two public access walkways; and
- A range of ecologically sustainable design features, including recycling grey and storm water for irrigation and toilet flushing, that has led to a number of awards.

In return for the contribution of land valued at \$5.2 million prior to the remediation work, Council has received units valued at \$5.845 million and reimbursement of \$1.7 million for remediation costs. This is a net asset value benefit of close to \$2.5 million.

The affordable housing provided to Council at the end of the project is now managed by a not for profit community housing association.

HOUSING NSW

PART C
FACT SHEETS

HOUSING TENURE

In their report "Sustaining fair shares: the Australian housing system and intergenerational sustainability" Yates, Kendig, Phillips, Milligan and Tanton for AHURI in February 2008 state that "the tenure of housing is of particular importance given its centrality to occupants' security and control over their homes, their costs of housing, and their accumulation of assets." (p11) They point out that at both the 2001 and 2006 Census, around 70 per cent of private dwellings were owner occupied (including being purchased), about 25 per cent were occupied by households paying rent to a private landlord or living rent free and the remaining 5 per cent were households paying rent to a public or not-for-profit landlord.

They point out that recently, there has been change in housing tenure and in who has access to those tenures:

"Over recent decades, however, house prices have grown faster than incomes, and housing is becoming less affordable for many households. First-time buyers have delayed entry to home ownership, public housing has declined and the private rental sector is not meeting the needs of lower-income households. There is increasing concern that access to housing, and its benefits enjoyed by the post-war generations, may be reduced for future generations of Australians. The number of Australians who cannot afford their own homes or gain access to public housing is increasing and could increase appreciably more." (p5)

This section looks briefly at the role of home ownership, the private rental market and social housing and some of the current issues for each of these tenures. It should be pointed out that there are significant tenure differences between Indigenous and non-Indigenous Australians. The fact sheet on *Indigenous Housing* includes more information on tenure. There is also a difference in the tenure profile for metropolitan and non-metropolitan NSW which is discussed in the section on *Housing Issues in Non-metropolitan NSW*.

Home ownership

The Productivity Commission Report into First Home Ownership in March 2004 noted that

"Owning a home is of fundamental importance to most Australians and we have among the highest rates of home ownership in the world. The 'family home' brings many people a sense of security and belonging, and home ownership generates wider benefits for a nation's 'social capital'. A house is also the most valuable asset that most people acquire in their lifetimes and accounts for around two-thirds of all private sector wealth in Australia. A house is therefore both a home and an investment." (p xiii)

According to Yates, Kendig et al (2008 op cit) home ownership in Australia grew rapidly immediately after WWII, reaching its current level of around 70 per cent by 1961, with home ownership then, and now, being the preferred tenure of both renters and owners.

However, while the rate of home ownership has remained high there has been considerable change in who is able to access this tenure, with younger households missing out and the ageing population responsible for maintaining the level of home ownership, with Yates, Kendig et al (2008) noting:

"Social changes and declining affordability have had a discernible impact on home ownership rates among younger households. Since the beginning of the 1980s, when the deposit gap increased from one to more than two years' income, the proportion of owner/purchaser households in the 30–34 year old age group and in the 35–39 year old age group has declined systematically. For younger 25–29 year old households, this systematic decline began in the mid-1970s." (p18)

Yates, Kendig et al (2008) raise concerns about the capacity of this home ownership rate to be sustained, given declining home ownership rates amongst the younger (under 40) age groups:

"Their inability or choice not to become owners during their prime household formation years raises significant doubts about whether Australia's home ownership rate will be sustained at its current level of 70 per cent by 2045. This has critical implications for the intergenerational sustainability of the Australian housing system." (p19)

They point out that any delay in home purchase or the inability to purchase due to affordability problems results in greater pressure on the private rental market.

On the issue of affordability of home ownership, they note that:

"At the end of the 1950s, the decade when Australia's home ownership rate had grown most rapidly, it took less than four years of average earnings (which were around \$2,000 at the time) to pay for the median house price of around \$7–8,000. Today, it takes approximately eight years of average earnings (around \$50,000) to pay for the Australian median house price of around \$400,000 (and significantly higher in several capital cities). The relationship between house prices and incomes is one of the key factors that determine whether owner-occupation remains accessible for households aspiring to home ownership. The other is the cost and availability of mortgage finance." (p15)

Private rental housing

As Terry Burke pointed out in his 1999 article on the Private Rental Market, until relatively recently, the private rental market was regarded as a transitional tenure between leaving home and purchasing a home. Those living in the private rental market were predominantly young, either sharing, single or couples who remained in private rental for a relatively brief period.

However, by the mid 1990's, academics noticed that there were a significant proportion (40%) of tenants in the private rental market who had been in that tenure for ten years or more. There was an increase in the number of tenants in the 25 – 34 and 35 – 45 year cohorts. For many the sector was no longer a transitional one but a long term one.

Burke's article notes that two different groups emerged in the private rental market, with more professionals and knowledge workers taking advantage of the flexibility of the tenure as a lifestyle preference, predominantly in inner city locations, while increasing numbers of lower income earners were becoming trapped in the private rental market, often in outer urban locations. He points out that (p11) "given the residual nature of public housing in Australia, the private rental sector has always accommodated sizeable numbers of low income households, many of whom were below the after-housing poverty line." Increasingly private rental has become an alternative to home ownership through necessity rather than choice.

Burke also points out that "unlike many other countries, almost no dwellings are constructed specifically for private rental. Investors simply acquire a dwelling that has already been constructed at some time in the past." (p12) Also unlike many other countries, there is a lack of institutional investors, with most landlords being individuals

owning just one or two rental properties. The importance of capital gains to investor motivation may explain the constant turnover of property but also impacts on security of tenure for tenants. The focus on capital gains by private rental investors tends to dampen investment in non-metropolitan locations, especially those with relatively stagnant or declining markets.

Again Burke notes that historically, most rental investment was in inner urban areas, partly reflecting more flexible planning controls for flats, while more recently private rental stock has become more widely distributed throughout the cities. Gentrification of the inner city resulted in conversion of older rental stock to owner occupation and as new rental stock is targeted to the upper end of the market the affordable stock is not replaced.

Yates, Kendig et al point out that "lower-income households in private rental do not have the protection against rising house prices and rising rents that is provided to households in outright ownership or public housing" and express "concerns about the future affordability outcomes of the increasing number of low-income people aged 65 years and older and living in private rental housing" (p69).

Social housing

Public housing has been the chief means of providing affordable housing for those on lower incomes who were unable to afford home ownership or were unable to access affordable private rental housing.

According to Yates, Kendig et al:

"In the pre-war period it was initially introduced as a slum clearance measure. Subsequently, as well as a means of redistributing income to the poor, it was seen as a response to various social problems. New construction of public housing also has played a role in promoting economic growth, reviving a depressed building industry and assisting the development of particular regions. While there was an emerging public housing movement in a number of states prior to World War II, it was only the response to post-war shortages that resulted in significant Commonwealth Government involvement in public housing. The series of Commonwealth State Housing Agreements, beginning with the first in 1945, have been the main vehicle for funding public housing in Australia." (p13)

From the mid 1970's public housing became more targeted, to focus scarce resources on those most in need. Those with higher incomes were encouraged to find housing in the private rental market. Now public housing is targeted to the most disadvantaged in the community and no longer provides housing for the working poor. The private rental sector increasingly is the source of housing for many lower-income households who cannot access public housing or afford home ownership.

However, as Yates, Kendig et al point out (p14)

"the loss of higher-income households from public housing, together with policy changes designed to give priority to those with the highest needs, have resulted in a situation of declining rent but rising service costs per tenant....This situation combined with declining real value of capital funding from the mid-1990s has contributed to an absolute decline in the total housing stock from its peak of just under 400,000 dwellings in the mid-1990s".

For Housing NSW, a key immediate challenge is to adapt the existing ageing stock of public housing to fit the needs of current and likely future clients, as well as to maximise the yield in any redevelopment to ensure it can maintain and potentially increase the provision of housing.

HOMELESSNESS

The ABS sees homelessness as a process and describes a cultural model of homelessness where:

Primary homelessness refers to people without conventional accommodation (living on the streets, in deserted buildings, improvised dwellings, under bridges, in parks, in cars or railway carriages and so on).

Secondary homelessness includes people moving between various forms of temporary shelter including friends, emergency accommodation, youth refuges, hostels and boarding houses on a short term basis.

Tertiary homelessness refers to people living in single rooms in private boarding houses, without their own bathroom, kitchen or security of tenure, on a medium to long term basis.

Marginally housed includes people in housing situations close to the minimum standard, such as a family staying with relatives on a long-term basis (doubling up); or a couple renting a caravan without security of tenure.

At risk of homelessness refers to people who are in housing crisis (commonly facing eviction for rent arrears) or facing eviction due to a breakdown in family relations.

With many, homelessness is the presenting problem but not the only issue to be addressed. Homeless people may be escaping domestic violence or abuse, may have a range of health problems including mental health and substance abuse, may have a disability, live in a disadvantaged community, may be unemployed and have inadequate income, be exiting prison or the juvenile justice system and have nowhere to go, or some combination of these issues and therefore require support as well as housing. The Supported Accommodation Assistance Program (SAAP) provides short term, supported accommodation for homeless people in, for example, refuges and shelters. A recent study by the Australian Institute of Health and Welfare (March 2007) on Homeless SAAP clients with mental health and substance use problems noted that across Australia in 2004/05, around 12% of SAAP clients reported a mental health problem and around 19% of clients reported a substance use problem (with the two categories not being mutually exclusive and 5% reporting both mental health and substance use problems).

The Commonwealth Government's Green Paper on Homelessness "Which Way Home? A new approach to homelessness" outlines some key messages about people experiencing homelessness and its causes:

- "Homelessness is caused by personal, social and economic factors. The causes are complex and inter-related.
- Personal factors include disability, mental illness, alcohol and drug abuse, family breakdown, poverty and violence.
- Social and economic factors include housing affordability, access to work, education and training, and entrenched disadvantage.
- People who experience homelessness lose opportunities to be part of Australia's mainstream economic and social life.
- Homelessness affects our whole community."

According to "Which Way Home" homelessness is often a cycle through various forms of marginal housing rather than a one off experience of being without conventional housing. "When this cycle repeats a number of times, it drives people to the margins of society. The trauma and financial impact of these experiences make it harder for people to hold down a job, keep up a tenancy, complete education, and maintain regular contact with family and friends. Social exclusion resulting from homelessness has enormous personal

and community costs”(p24). Further, “children are particularly vulnerable to the traumatic effects of homelessness” as it disrupts education and participation in other activities, can lead to behavioural problems and in turn “poor education is a risk factor for future”(p24) experience of homelessness. The section on Housing for Young People has further information on youth homelessness, particularly in rural Australia.

The homeless population is difficult to reliably enumerate, particularly because:

- The homeless population changes over time. There will always be people entering and exiting from the population. Some people are homeless for long periods while for others it is a short experience (for example people visiting family members in prison often travel considerable distances to the prison and may have nowhere to stay for the night of their visit⁸ or be unable to afford overnight accommodation). Numbers may go up and down in any geographical area.
- Homeless people are more mobile than the general population. It is common for homeless people to move frequently from one form of temporary shelter to another within the same geographical area. It is also common for people to move intra and inter state.

On Census night in 2001 the homeless population in NSW was:

▪ Boarding houses	7,815	29%
▪ SAAP accommodation	3,918	15%
▪ Friends and relatives	12,123	45%
▪ Improvised dwellings, sleepers out	2,820	11%
TOTAL	26,676	100%

From the 2001 Census, 61% of homeless were male and 39% were female. Analysis of 2006 Census data is anticipated to be available later in 2008.

The age distribution of the homeless population at the 2001 Census is outlined in the table below, with 34% aged between 12 and 24 years of age and 57% aged 25 years and over:

Age	Number	Percentage
Under 12	2,537	9
12 – 18	6,242	23
19 – 24	2,895	11
25 – 34	4,880	18
35 – 44	3,783	14
45 – 54	2,879	11
55 – 64	1,977	8
65 or older	1,663	6
TOTAL	26,676	100

In terms of geographic spread, 2001 ABS data from “Counting the Homeless” shows that “57.9% of homeless people were in Sydney, including 17.5% in the City Core and 16.8% in the Inner City Ring.” Newcastle had 5.8% of the homeless and Wollongong had 4.1%. There were seven statistical subdivisions with between one and three per cent of the homeless, including Tweed Heads (1.1), Coffs Harbour (1.1), Hastings (1.4) and Clarence

⁸ The Invisible Sentence project was a two year project conducted at the Central West Women’s Health Centre aimed at identifying and documenting issues that impact on women who have a partner or family member in prison. “A major stress factor for all of the participants was the practical and financial burden, which arose because of lifestyle changes caused by the separation. Changes in lifestyle included travelling on weekends to visit the inmate so that a significant stress factor for the majority of the participants was the difficulty of accessing affordable transport and accommodation. The expense of travelling for these women was a considerable cost ... A couple of women resorted to dangerous behaviours such as sleeping at the station and sleeping in their cars...” The Department of Housing has in some towns where jails are located experienced families travelling up to visit their family member for the weekend and seeking assistance (temporarily homeless) from the Department then returning to their home out of the area after the visit.

(2.4). This does not include marginal residents of caravan parks. For more detail, the report "Counting the Homeless 2001 NSW" gives data for statistical subdivisions for urban and rural areas in NSW. The link is given below.

What can be done about homelessness?

Commonwealth and State Initiatives

- The Commonwealth Government released a Green Paper "Which Way Home? A new approach to homelessness" in May 2008, inviting responses and seeking participation in public consultations. In December 2008 the Commonwealth released a White Paper "The Road Home". *The Road Home* sets the strategic agenda for reducing homelessness to 2020. To download the White Paper go to http://www.fahcsia.gov.au/internet/facsinternet.nsf/housing/white_paper_on_homelessness.htm.
- A Place to Call Home is an initiative of the Commonwealth Government which aims to reduce levels of homelessness in Australia by providing secure housing. Funding of \$150 million over 5 years will be provided by the Commonwealth, with an equal matching requirement from the States. Planning for the implementation of the initiative commenced in 2007/08. NSW will receive approximately \$38.8 million over five years, with an expectation that 155 dwellings will be provided.
- The NSW Government is developing a Homelessness Strategic Framework. The priorities, strategies, actions and performance measures of the Framework will form the basis of the Implementation Plan for the National Partnership on Homelessness. The finalised Framework will also form the basis of the development of a Priority Delivery Plan on homelessness as part of the scheduled review of the NSW State Plan. The Priority Delivery Plan will provide the mechanism for the governance of NSW Government's response to homelessness.
- The Partnership Against Homelessness is a network of NSW Government agencies which aims to improve services for homeless people, crisis accommodation and support, and facilitating the move to long term secure housing. Housing NSW is leading this work in the inner city suburbs of Sydney and the Department of Community Services is working with key stakeholders in Western Sydney and New England. There is also a pilot project to develop new service delivery models in the Hunter region (The Signpost, provided by Mission Australia). The Signpost is designed to work with other agencies to assist clients to access services appropriate to their needs. The Signpost provides:
 - Client assessment and support
 - Case Management
 - Referral
 - Access to financial assistance related to housing need
- The After Hours Temporary Accommodation Line. People who need immediate housing assistance can receive help from Housing NSW local offices during business hours. A dedicated Temporary Accommodation Line takes telephone referrals in the evenings and at weekends from agencies that assist people seeking shelter for the night. Accommodation is booked until the next working day when the client is able to make arrangements for more suitable longer-term accommodation. The service is available for single people, couples, and families with children. Housing NSW provides Temporary Accommodation in low-cost hotels, motels, caravan parks and similar accommodation for people who are in housing crisis or homeless, while they make longer-term arrangements. To help clients make longer-term arrangements, they will be asked to visit the local Housing NSW office on the next working day.

- The Inner City Homelessness Action Plan Phase 2 (January 2007 – January 2011) is a project of the Partnership Against Homelessness that outlines an interagency approach to addressing issues for chronically homeless people in the City of Sydney Local Government Area.

The Plan, led by Housing NSW and overseen by the Inner Sydney Homelessness Action Committee, includes representatives from over 20 government and community agencies. The major achievements in 2008 include:

- o delivery of the *Inner City Homelessness Outreach and Support Service (ICHOSS)* which targets homeless people across the City of Sydney local government area;
- o commencement of the *Housing First* and the *Chronically Homeless and Complex Needs Coordination Project* – a collaborative case intake, planning and management process which can link clients to long-term supported accommodation; and
- o commencement of the *Allawah Dual Diagnosis Pilot Project* – a multi-agency initiative which provides culturally appropriate housing and support for homeless Aboriginal and Torres Strait Islanders with co-existing mental health and substance use disorders (dual diagnosis) in the inner city of Sydney.
- o Commencement of *Biannual street counts of rough sleepers*, conducted to collect good data to inform decision making. The first street count successfully took place on 18 August 2008 and the second in February 2009.

From February 2006 - June 2008 the ICHOSS outreach team had 4,438 contacts with clients or potential clients on the streets. During the same period ICHOSS provided active case management to 123 outreach clients and 60 support clients.

- The Protocol for Homeless People ('the Protocol') has been introduced to guide State Government agencies about how to relate to homeless people in public places. The New South Wales Government introduced the Protocol to help ensure that homeless people are treated appropriately and receive the services they need or request. It is an important element in the Government's strategy for preventing homelessness and responding effectively when it occurs.

What can local government do?

- The lack of affordable, appropriate and secure housing is a key factor contributing to homelessness. Provision of more affordable housing will assist in meeting some of this need, particularly by providing exit points from crisis accommodation and marginal housing.
- Encouraging new, better quality, more self contained boarding house style accommodation would assist in meeting some of the demand for affordable housing.
- In January 2006, Housing NSW and City of Sydney Council jointly funded a new Outreach and Support Service. This new service, the Inner City Homelessness Outreach and Support Service (I-CHOSS) is provided by Mission Australia and the Haymarket Foundation. The Department of Community Services has also contributed a brokerage fund for the Service. The aim of the new service is to provide outreach and support services to homeless people that will enable them to access appropriate services and long term accommodation options.
- Sydney City Council established the Homeless Persons Information Centre. The Homeless Persons Information Centre (HPIC) is the telephone information and referral service that refers those in the community who are homeless, or at risk of homelessness, to the services that may assist them. It provides professional assessments and referrals for clients seeking accommodation and support services within NSW. In 2005/06 HPIC responded to over 50,000 calls from individuals

and government and community agencies. It is also possible to get data on homelessness from the Centre. The link is below.

- Councils can help other levels of government and non government agencies with initiatives to assist homeless people. They can participate in or initiate local networks, building linkages and work with other agencies to assist in addressing the needs of homeless people. Any initiatives to increase the supply of affordable housing will also assist to meet the needs of homeless people in the community. Councils can assist by facilitating Housing NSW, the Office of Community Housing, the Aboriginal Housing Office and non-government organisations to provide social housing and crisis accommodation.
- Waverley Council assisted the Chapel by the Sea to establish a day centre for homeless people at Bondi Beach, where they can have a shower, a meal and access support.

For further information:

- Information on the number and type of SAAP services in local government areas can be obtained from local offices of the Department of Community Services. Supported Accommodation Assistance Program (SAAP) data is released by the National Data Collection Agency within the Australian Institute of Health and Welfare, and captures data on access to DoCS funded SAAP services. As the data is demand driven it doesn't provide the full picture of homelessness in a LGA. Further because there is a clustering of SAAP services in particular LGAs it doesn't necessarily capture the extent of homelessness in an area. Details on the location of NDCA SAAP data can be obtained from: <http://www.aihw.gov.au/housing/sacs/ndca/index.cfm>
- Chamberlain & Mackenzie (2003) Counting the Homeless 2001: New South Wales, Bureau of Statistics, Canberra. Chamberlain and Mackenzie are in the process of analysing the 2006 Census data – this project is anticipated to be completed in 2009. Homeless data from 2001 can be found online: [www.ausstats.abs.gov.au/ausstats/free.nsf/Lookup/5AD852F13620FFDCCA256DE2007D81FE/\\$File/20500_2001.pdf](http://www.ausstats.abs.gov.au/ausstats/free.nsf/Lookup/5AD852F13620FFDCCA256DE2007D81FE/$File/20500_2001.pdf)
- The National Youth Commission Inquiry Report on Youth Homelessness is at http://www.nyc.net.au/files/Australias_Homeless_Youth.pdf
- The following peak organisations will also have useful information and data about homelessness:
 - Homelessness NSW.ACT (men's services): <http://www.homelessnessnsw.org.au/>
 - Youth Accommodation Association (youth): <http://www.yaa.com.au/>
 - Women's Refuge Resource Centre (women's): <http://www.wrrc.org.au/>
- You can find data on line from the Homeless Persons Information Centre at: <http://www.cityofsydney.nsw.gov.au/Community/HomelessnessServices/HomelessPersonsInformationCentre.asp> or special requests for data can be made direct to the City of Sydney.
- Homelessness Australia at www.homelessnessaustralia.org.au
- The NSW Council of Social Service at <http://www.ncoss.org.au/>
- The FAHCSIA website also has additional information on Commonwealth initiatives on homelessness <http://www.fahcsia.gov.au/internet/facsinternet.nsf/housing/nav.htm>

BOARDING HOUSES

What is a boarding house? Essentially boarding houses provide rental accommodation with individual bedrooms and some shared facilities. There are a range of models, including:

- Traditional boarding houses tend to have rooms for rent and the remaining facilities – kitchen, bathroom, living room, laundry – are shared.
- Some boarding houses have rooms with cooking facilities for rent, with other facilities shared, including bathrooms and laundries.
- Some have fairly self contained accommodation with kitchenettes but not full kitchen facilities in the rooms, with shared laundry and shared full kitchen.
- Others have fairly self-contained accommodation with shared laundry and community/meeting room.

Boarding or rooming house accommodation has traditionally provided affordable private rental housing predominantly to single people on low incomes. According to the March 2004 AHURI Report on "Boarding Houses and Government Supply Side Intervention", boarding houses "can be a housing option of last resort, or only resort, for very disadvantaged people on low incomes in inner city and regional areas, including a large number of people with disabilities, many of whom have been deinstitutionalised.(p1)"

On Census night in 2001, ABS reported that there were 7,815 people living in boarding houses in NSW. Of these, 74% were male and 26% were female.

The number of boarding houses has declined significantly. The Inner Sydney Boarding House Report by Davidson, Phibbs and Cox from June 1998 found that in four inner Sydney local government areas (South Sydney, North Sydney, Leichhardt and Burwood) boarding house numbers had declined by an estimated average of 7 – 8% per annum. This study found that:

"In contrast to the traditional stereotype of providing housing for older single men, boarding houses now accommodate a range of people. A significant and growing proportion of residents are women. Boarding houses have remained an important source of accommodation for migrants, who make up around half of the residents surveyed. They also house a significant number of persons with physical and mental disabilities. The majority of residents receive low to moderate incomes, with close to half relying on a pension or benefit for their primary source of income." (p 83)

In addition:

"Boarding houses provide long term accommodation for the majority of residents... The decline of the boarding house sector, and the associated loss of affordable accommodation is of particular concern to the many residents who stated that they could neither afford nor access alternative housing in the private rental market. Also of concern is the fact that as boarding house closures have continued, demand for this style of accommodation has increased. This increased demand has come not only from displaced boarding house residents, but also from residents who had previously rented in the private rental market. The survey results suggest that increasing demand within the lower end of the private rental market may have squeezed more people from this sector and into boarding house accommodation." (p 83)

There is plenty of demand for boarding house accommodation, including from students and lower income and key workers, but much of the existing stock is old, small in scale and not suited to the needs of residents. In relation to new boarding house style development:

- There is growing recognition that tenants have a need for more personal space. While some people prefer traditional boarding house style accommodation because they like the more communal living this affords, most prefer the additional privacy provided by more self contained accommodation. Consequently there is a move towards provision of more self contained units, so that boarding houses can be a more viable long term housing option and in order to reduce the potential for tension and conflict in communal areas. More self-contained boarding house accommodation improves tenancy management and provides for more sustainable tenancies.
- Most disputes in boarding houses are about food. All the operators that Housing NSW spoke to maintained that it is preferable for residents to have kitchenettes in their rooms, or at minimum a bar fridge, sink, microwave and sufficient storage for food, in addition to a designated lockable cupboard for each resident in the communal kitchen. Given the experience of boarding house operators in both the public and private sector, kitchenettes should be encouraged within boarding house rooms to reduce disputes.
- The larger the boarding house (i.e. the more rooms to let), the more financially viable.
- More self contained boarding house accommodation is much less likely to require on site management than a more traditional boarding house design. NSW and Victorian community housing providers do not see the need for on site management, regardless of the design – however more intensive tenancy management of the property may be required. Many private boarding house owners have their boarding houses managed by Real Estate Agents.

Housing NSW has a Boarding House Calculator (with a manual for users) on it's web site (the link is given below). The Calculator is a simplistic tool to assist owners and managers to identify mechanisms to improve boarding house business profitability. The Calculator has been specifically designed to:

- Model the viability of existing boarding house businesses;
- Model the viability of existing boarding house businesses and any proposed upgrades to buildings and / or variations to business costs; and
- Model the viability of developing new boarding houses.

In developing the Calculator it was found that boarding houses with less than 10 rooms may be viable in that they make a modest profit, but the level of return is generally insufficient to allow for capital improvements to the property, to achieve a commercially attractive investment or to ensure long term survival. Larger boarding houses of around 20 rooms are more efficient through improved economies of scale. Further, new developments could secure a reasonable yield if land price, construction costs and development time frames are reasonable.

What can be done about the decline in boarding house accommodation?

There are a number of measures that can be taken to assist in encouraging new stock and retaining existing boarding house accommodation:

- The new Affordable Rental Housing SEPP 2009 encourages investment in new generation more self contained boarding houses from large and small investors by making this kind of boarding house development permissible in all residential and appropriate business zones and by providing a floorspace bonus to encourage boarding houses in areas zoned for flats which would otherwise be uneconomic to develop.

- In addition the Affordable Rental Housing SEPP incorporates the provisions of SEPP No. 10 Retention of Low Cost Accommodation, which applies to alteration and additions, change of use, and strata subdivision of boarding houses and requires a social impact assessment of the loss of boarding house stock.
- Waverley Council has provisions within their LEP protecting boarding houses in the same way as SEPP 10 but also addresses demolition of boarding houses. In addition Waverley Council offers a rate rebate for boarding houses offering affordable rental accommodation to permanent residents. For more information see:
www.waverley.nsw.gov.au/council/meetings/2006Minutes/0608/FinanceReports/BoardingHouseRebates.pdf
- A number of councils have developed a specific boarding house DCP with the objective to encourage the provision of quality boarding house accommodation in appropriate locations – close to transport, services and facilities. However, in developing such a DCP, it is important to ensure that it actually enables new boarding house development rather than restricting it, encourages viable boarding house development and sustainable tenancies through good design.
- Councils are required to consider, under the provisions of the Local Government Act 1993, whether in making an order relating to a boarding house (such as a fire safety order) that may have the impact of rendering residents homeless. Most remaining boarding houses are in very old buildings, built to the fire safety and building standards of their time. Too rigid an application of the current Building Code of Australia to these old buildings can result in a costly schedule of works which may be beyond the means of operators to implement. This has the potential to result in homelessness when owners cannot comply and cease to operate. Councils could consider granting owners more time to comply and whether every item on the schedule of works is reasonable and necessary. There may be more cost effective ways to achieve the same level of fire safety, for example.
- In addition, the state government offers a range of financial incentives to encourage the retention of boarding house accommodation:

(a) The boarding house financial assistance program

This program is administered by Housing NSW and provides grants to assist with fire safety upgrade works in boarding houses. For more information see:
www.housing.nsw.gov.au/About+Us/Programs+and+Grants/Boarding+House+Financial+Assistance+Program.htm

And the boarding house calculator

The Boarding House Calculator is at:

<http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Government+Housing+Kit/Addressing+Affordable+Housing/Boarding+and+Lodging+Houses.htm>

(b) Land tax exemption

The Office of State Revenue offers land tax exemption or reduction in land value where land is used and occupied primarily as a boarding house. For more information see:

<http://www.osr.nsw.gov.au/taxes/land/exemptions/other#Boardinghouses>

(c) Residential property rating

The Local Government Act 1993 also makes provisions for incentives for boarding house operators by deeming boarding houses as 'residential' use as opposed to 'commercial' for the purpose of annual Council rates.

HOUSING MARKET ANALYSIS: EXPLANATORY NOTES AND FACT SHEETS

For more information about what councils can do to encourage boarding (or rooming) house retention and new development, see what the City of Port Phillip in Victoria has done at www.portphillip.vic.gov.au/rooming_houses.html

For a look at new boarding house style development managed by community housing providers in Brisbane, see:

- the Brisbane Boarders Limited site at:
<http://www.brisbaneboarders.com.au/properties.htm>

For examples of new boarding house style development built and managed by the private sector in Sydney, see:

- the Centre for Affordable Housing website at:
<http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Government+Housing+Kit/Addressing+Affordable+Housing/Boarding+and+Lodging+Houses.htm>.
- and the brochure on boarding houses on Department of Planning's website, with the information on the Affordable Rental Housing SEPP at:
<http://www.planning.nsw.gov.au/PlansforAction/Supportingaffordablerentalhousingpolicy/tabid/313/Default.aspx>

CARAVAN PARKS

Caravan Park accommodation provides a housing choice to people with limited housing options. Caravan parks provide housing to people who may not have the references to access housing in the private rental market, who may not be able to afford anything else or who need flexibility. The closure of caravan park accommodation or conversion to tourist sites reduces the housing options available for people on low incomes.

A study for the Australian Housing and Urban Research Institute in 2003 by Wensing, Holloway and Wood entitled "On the Margins? Housing risk among caravan park residents" found that between 1987 and 1997 in NSW and the ACT there was a decline of 2,135 in the total capacity of caravan parks. According to the Australian Bureau of Statistics, between 1997 and 2000, 93 caravan parks in Australia closed, with 20 of these being in NSW. This is likely to be an underestimation as the ABS only collects information on parks containing more than 40 sites.

In a recent research paper "Planning for Affordable Housing in Coastal Sea Change Communities" by Nicole Gurran and Caroline Squires, the authors note that:

"Demand for residential and tourism development can gentrify high amenity areas by increasing property prices and leading to the redevelopment of traditional low-cost housing stock, like caravan parks, older holiday houses or flats (which are often an important source of affordable retirement, long-term rental and crisis accommodation for low income households) (p3)"

And:

"Areas on the mid and far north coast of New South Wales have experienced significant declines in permanent caravan park accommodation. A total of 420 permanent sites are estimated to have been lost between November 2001 and January 2004 on the north coast... and a significant amount of remaining caravan park accommodation is at risk of being redeveloped.(p3)"

Caravan park residents are often unable to access, afford or compete in the private rental market and are competing for a dwindling supply of caravan park accommodation.

The ABS report entitled "Counting the Homeless 2001" notes that caravan parks fall into four groups:

1. High quality caravan parks used exclusively for tourist accommodation, or that cater for niche markets, such as retired people who own their caravans and parks that have a mixture of tourists and owners. There are no marginal caravan dwellers in these parks.
2. Parks providing tourist accommodation in summer and in winter park owners rent out vans to poor people.
3. Caravan parks with a mixed clientele all year – tourists, owners and renters – generally with more tourists in summer.
4. Parks that are used as permanent accommodation for poor people and as crisis accommodation. These parks are often overcrowded with vans in poor condition. Most residents were unemployed or outside of the labour force.

Problems of enumeration

Until the 2006 Census the ABS did not include caravan parks with less than 40 sites in their count of caravan accommodation. Prior to the 2006 Census, occupied caravans at roadside parking areas or on open land were classified as sleepers-out. For the 2006 Census, caravans on roadsides/open land are treated the same as caravans in caravan parks. That is, they are treated as occupied private dwellings. Consequently, it is not possible to compare 2001 and 2006 data on caravans and residents of caravans, as it is

not possible to differentiate caravans (and their residents) located in caravan parks from caravans located anywhere else (for example on vacant blocks of land).

Caravan Park Residents

The ABS defines marginal residents of caravan parks as "people who were renting their caravan, but no one in the dwelling had full time employment and all persons were at their 'usual address'". The report states that:

"homelessness is a process. When people lose their accommodation they usually stay temporarily with different friends and relatives until they have exhausted these options. They are more likely to stay in boarding houses or caravan parks on a short term basis when they are further 'down the track'. In some cases, this will be before they approach SAAP services for assistance, but in other cases it will be after. They are more likely to go to boarding houses and caravan parks on a long term basis when they have been 'around the system' for a sustained period of time. People in these settings tend to have fewer options and to have run out of friends and relatives to stay with. Long term residents of boarding houses and caravan parks have often been without conventional accommodation for longer than people in the secondary population". (p53)

(Secondary population 'includes people who move frequently from one form of temporary shelter to another'.)

The St Vincent de Paul Society has released a social justice research report "Residents at risk - Stories of 'last resort' caravan park residency in NSW" in May 2008. The report states:

"Many people are unable to secure even this type of inadequate accommodation as the number of parks drastically declines and site rents increase at a rapid rate. The number of caravan parks in the Sydney region alone has halved in the last seven years from 164 establishments in 2000 to 74 in 2007, and many regional areas have experienced similarly marked declines in supply. One Western Sydney caravan park runs at full capacity, with some people waiting to secure a site resorting to sleeping in their cars alongside a creek bordering the park. "

"For many socio-economically disadvantaged people, what was initially intended as a temporary or transitional housing option – just until they 'get back on their feet' – turns into a long term cycle of deprivation and marginalisation, as the means to make choices and secure better housing options evaporates."

"The living conditions reported across the caravan parks comprising this report's case studies range from inadequate to extremely poor. In one regional park a family of six – including a baby and an elderly woman – are living in a second hand canvass tent." (p vi)

NSW Profile of Caravan Park Residents

According to the 2006 Census there were 11,037 households living in caravan accommodation in NSW. Of these 8,258 or 74.8% owned their caravan but rented the site and 2,779 or the remaining 25.2% pay rent for both the caravan and the site.

Across NSW, people who live in Caravan Parks and own their own caravan are predominantly aged over 65 (53%), while those renting both the caravan and the site are predominantly in the 45 – 64 age group (43.6%) (see table below).

HOUSING MARKET ANALYSIS: EXPLANATORY NOTES AND FACT SHEETS

Age group	Owner (no.)	Owner (%)	Rent van (no.)	Rent van (%)
15 - 19	3	0.0	18	0.7
20 - 44	500	6.1	1109	39.9
45 - 64	3346	40.5	1212	43.6
65+	4409	53.4	440	15.8
Total	8258	100.0	2779	100.0

Van owners are predominantly single person households (58.7%) and couples (33.3%). Van renters are also mostly single person households (72%) but with a much higher proportion of single parent households (7.5%) (see table below).

Household/family type	Own van (no.)	Own van (%)	Rent van (no.)	Rent van (%)
Single parent with dependent or non-dependent children	221	2.7	207	7.5
Two parents with dependent or non-dependent children	221	2.7	154	5.5
Single person	4844	58.7	2000	72.0
Couple only	2754	33.3	345	12.4
Other household	218	2.6	73	2.6
Total	8258	100.0	2779	100.0

Both van owners and van renters across NSW are predominantly very low income earners, with 73% earning less than \$33,800 per annum and only 17% earning over \$26,000 (given 10% did not state their income) at the 2006 Census (see the table below).

Income	Own van (no.)	Own van (%)	Rent van (no.)	Rent van (%)	Total (no.)	Not stated (no.)	Not stated (%)	Total (%)
< \$7800	285	3.5	140	5.0	38	4.1	458	3.8
\$7800 - \$12999	1,350	16.3	595	21.4	129	13.8	2,057	17.2
\$13000 - \$18199	2,015	24.4	683	24.6	133	14.2	2,826	23.6
\$18200 - \$25999	1,323	16.0	95	3.4	41	4.4	1,491	12.5
\$26000 - \$33799	1,336	16.2	464	16.7	106	11.3	1,903	15.9
\$33800 - \$41599	420	5.1	168	6.0	41	4.4	625	5.2
\$41600 - \$51999	309	3.7	96	3.5	26	2.8	432	3.6
\$52000 - \$62399	407	4.9	143	5.2	43	4.6	592	4.9
\$62400 - \$72799	70	0.8	25	0.9	15	1.6	111	0.9
\$72800 - \$88399	86	1.0	42	1.5	3	0.3	129	1.1
\$88400 - \$103999	27	0.3	16	0.6	-	-	42	0.4
\$104000 - \$129999	40	0.5	7	0.2	-	-	47	0.4
\$130000 or more	38	0.5	7	0.2	13	1.4	58	0.5
Not stated	552	6.7	300	10.8	347	37.2	1,199	10.0
Total	8,258	100.0	2,779	100.0	934	100.0	11,971	100.0

What can be done about the loss of caravan park accommodation?

- Gosford Council has used their LEP to protect caravan parks and they are developing and implementing an affordable housing strategy. They are also examining the potential of a cooperative ownership model of caravan parks with funding from Housing NSW. This project will address a number of housing issues including the feasibility and options for the acquisition of an existing park, as well as looking at land for alternative sites, with Council seeing its main opportunity as a potential land supplier. This project will also look to increasing housing choice

by offering a solution to the pressures on the residential park industry and identifying an additional option for residential park management.

- Wyong Council requires that when a development application is lodged relating to a caravan park or manufactured home estate, a social impact assessment is required to be prepared by an independent consultant. More information is available in the section on Social Impact Assessment.
- Councils can also protect caravan parks with a special use “caravan park” zoning which will prevent existing use rights being used to convert them to an alternative residential use. This only applies where the land is privately owned.
- A **Closure Protocol on Residential Parks** has been developed by a number of government agencies in consultation with industry and consumer groups. The Department of Housing is the lead agency for the closure protocol. A Closure Response team has the role of:
 - Providing park residents with information on the park closure, on their rights and entitlements and of the forms of assistance available to them;
 - Developing a cooperative relationship with local non government organisations assisting park residents;
 - Interviewing park residents who request assistance;
 - Developing and carrying out an assistance plan for each park resident who requests assistance;
 - Providing park residents who request assistance with information, advice, support and assistance as is appropriate to each agency’s role and the resident’s housing related needs;
 - Monitoring the park closure process.

For additional information try:

- The Parks and Village Service. They can provide data on the number of caravan park/residential park sites, those lost or at risk of closure, including the report “No Place for Home” at www.cspa.org.au/PAVS/P_home.html
- For a copy of the St Vincent de Paul Society report “Residents at risk – Stories of ‘last resort’ caravan park residency in NSW” go to <http://www.vinnies.org.au/home.cfm?CFID=315761&CFTOKEN=bec2b233a3f88eab-FAE60721-E976-DA73-EB5D63B6EB5B1D0E>

HOUSING FOR OLDER PEOPLE

In 2001, people aged 65 years plus account for almost 13% of New South Wales' total population (that is 830,000). Of these 206,000 are frail aged people, who represent 3.2% of the population. The number of frail aged has been growing at an annual average rate of 4.6% per annum, compared with 2.64% for the total population in the 10 years to 2001. ABS estimates that the number of older people will increase to 1.4 million in 2021 (to comprise 18.6% of the population), with the number of frail aged increasing to 340,000 (making up 4.5% of the total population).

There is an over representation of older people in areas outside of Sydney. Areas with the highest proportion of older people are in coastal NSW (particularly the Hunter, Illawarra, Richmond/Tweed, Mid North Coast and Gosford/Wyong).

While older and frail aged households in NSW have high rates of home ownership and have a higher representation in public housing, in 2001 around 82% of older low income renters were in housing stress. The number in stress increased by almost 2,000 households in the 10 years to 2001 (to a total of 14,700). The AMP Natsem Income and Wealth Report (Issue 19 – March 2008) entitled "Trends in housing affordability and housing stress, 1995-96 to 2005-06" states that "the older generations are also taking more debt into retirement with twice as many people aged over 60 paying off a mortgage than 10 years ago (9.5 per cent in 2005-06 compared to 4.2 per cent in 1995-96). This age group also experienced the biggest jump in housing stress, up about 80 per cent from 5.3 per cent in 1995-96 to 9.5 per cent in 2005-06.(p3)"

At the 2001 Census approximately 24,400 people lived in self care accommodation (provided for the retired or aged who care for themselves).

Again, according to the 2001 Census, just over 208,000 older people in NSW lived on their own, and of these almost 70,000 are frail aged.

In terms of the living arrangements of older people, the Housing for the Aged Action Group in their paper "Housing is a health and aged care issue" presented to the National Housing Conference in 2008 noted that:

- "The overwhelming majority of older people live in private dwellings in the community, with only 6% living in facilities such as aged care homes and hospitals.
- Even among those aged 85 years and over, the great majority (74%) live in private dwellings."

The Housing for the Aged Action Group pointed out that:

- "80% of people over 65 years of age own or are purchasing their own home
- 12% are renters –7% in private rental
- The proportion of older private renters compared to public renters has increased during the 1990's (Howe 2003)
- Fundamental problems for older private renters are: Security of tenure, affordability and poor housing conditions
- People aged 65 and over in low-income rental households are projected to increase by 115 per cent from 195,000 in 2001 to 419,000 in 2026 (Jones, Bell, Tilse, Earle: AHURI, 2007)"

Older people are a diverse group with a range of housing needs and preferences. Attributes of housing valued by older people include:

- Security of tenure
- Affordability (including maintenance)
- Appropriateness and suitability of dwelling. Desirable characteristics include:

- Ease of maintenance
 - Safety and comfort
 - Quality of the surrounding environment and local community
 - Capable of being adaptable to needs which change over time
- Access to support. The ability of the population to age in place is dependent on quality, suitability and sustainability of housing arrangements along with accessibility to appropriate services.

Support needs

As people age, their housing and care needs change. The main findings of the ABS Survey of Disability, Ageing and Carers (1998) about the needs of older people for assistance are:

- 54% of people aged 65 years and over had a disability
- 46% of older people needed assistance with everyday activities and this increased with age regardless of whether there was a disability (with 92% of those aged over 85 needing assistance)
- Most common types of assistance needed were property maintenance and health care
- Other common areas of assistance required were transport, mobility, housework and self-care.

Increasing numbers of older people living alone, together with demographic changes such as smaller families, childlessness and divorce rates may mean that older people will look to formal services where previously support had been provided by family members.

Case Study: A New Model

The Benevolent Society presented "The Ocean Street Project: A new model of housing, care and connection for Australia's ageing population" at The National Housing Conference in February 2008.

The Benevolent Society pointed out that in their 60s and 70s few people need assistance with daily living and are more likely to be providing than receiving care. However, those aged in their 80s and above are more likely to need assistance. Further, "the group aged 85+ is projected to grow by 56% in next decade from 333,000 (2006) to 521,000 (2016), as compared to total population growth of 11%."

"What does suitable and secure housing mean for older people?

- Location, location, location

- Same neighbourhood even more important than same house

- Strong social networks and familiarity with local community resources contribute greatly to health and wellbeing in later life and are not easily rebuilt if move to a new area

- Ease of access to shops, services and transport become critical in later life

- Housing market and stock typically offers limited opportunities for older home owners to trade down to more appropriate housing in same area

Retirement accommodation (purpose built) often very separate from rest of the community.

- Design-Critical in helping or hindering independence, as health declines and disability increases

- Minor modifications such as better lighting, grab rails, ramps are important

- But not always possible to modify or prohibitively expensive -eg in walk up apartment blocks, rented housing

- Security and cost–Frequent moves threaten social networks and sources of support
 - Lack of security and high rents a major problem for older renters, especially those on low incomes in gentrifying areas
 - Forced to move away entirely, e.g. to regional or rural area or prematurely to residential aged care.”

The Benevolent Society are trialling their new model at a site in Bondi, Waverley LGA, in Sydney’s eastern suburbs “a purpose built complex of multi-storey apartments and community facilities:

Key features

- Appropriate design
 - High standards of accessibility and adaptability (eg concealed ceiling tracks for later easy installation of hoists)
 - Smallest apartments large enough for a family member or friend to stay overnight
 - Private and public space
 - Lots of incidental meeting spaces, internal and external
 - Space for health promotion activities, wellness, exercise
- Connections with the local community
 - Shared community facilities at ground level, e.g. meeting rooms, café, men’s shed, day centre for people with dementia, health professionals rooms, child-friendly space
 - Active community development strategy involving local community (especially in walking distance)
 - Open site, local community encouraged to walk through.

Support and care for residents who need it

- Monitoring function, service coordination and referral to formal services (HACC, CACP, EACH, private, health services etc)
- Space for visiting careworkers
- Promotion of informal and volunteer support
- On-site facilities –e.g. café, dementia day care centre,

- Majority of units offered on a loan/licence basis
 - Residents ‘buy’ a licence to occupy with an upfront capital entry payment (largely repaid on leaving), and recurrent fees

• Affordability

- A proportion of apartments available at affordable rates, i.e. reduced entry payment
- Plus 10% of apartments rented to low income older people who do *not* own a home.”

What can be done to assist in meeting the housing needs of older people?

- The Department of Planning has the Senior’s Living State Environmental Planning Policy to encourage housing for older people and Housing NSW has developed a strategy for Social Housing for Older People. This strategy will increase the amount of public housing stock available to older people by 10%. \$420 million is being invested to construct additional homes, equating to an additional 2,800 homes for older people over the next five years (currently over 60,000 older people live in public and community housing). It also includes major investment to boost safety and improve access for older people – such as installing lifts, adapting kitchens and bathrooms to help prevent falls and to assist to keep older people in their homes for longer – as well as improving partnerships and service delivery arrangements to allow older people to age in place.
- For councils, as well as taking steps to encourage additional affordable stock, it will be important to consider what sort of housing is required, including adaptable

housing, smaller dwellings with one or two bedrooms, as well as a need for appropriate support services. For the frail aged in particular, this means accessible and adaptable housing located close to services and facilities. Where possible, consideration of tenure choice (rental or purchase) may also assist in ensuring some measure of housing choice and affordability to meet the needs of the existing and likely future community.

- Encouraging accessory dwellings or “granny flats” may assist older people to age in place and/ or enable them to live close to family for support.
- Many councils, particularly in rural and regional areas of NSW, provide housing for older residents, which they may manage themselves or transfer to a non-profit housing organisation. This enables older residents to remain in their local area, close to family and support networks.
- Adaptable housing design can help older people and people with disabilities remain in their own homes. Incorporating requirements for a proportion of adaptable housing into LEP’s and DCP’s is another way of assisting in the supply of appropriate housing for older people.
- Many councils manage and support home maintenance/modifications schemes under the Home and Community Care Program to help older residents to remain in their own homes.

For further information try:

- The Australian Institute of Family Studies provides a bibliography on aged care policy and services, including housing on <http://www.aifs.gov.au/institute/info/bib/agedcare.html>
- The Local Government and Shires Association, particularly www.lgsa.org.au/resources/documents/int_year_older_people_241105.pdf

For more information about the Benevolent Society Ocean Street project go to: www.bensoc.org.au and go to Ocean St Project.

HOUSING YOUNG PEOPLE

In their 2006 paper "What drives Australian housing careers?" Flatau, Hendershott, Watson and Wood note that individuals move through a sequence of "housing stages" over the course of their lifetime, with three distinct phases. The first phase is early adulthood – when young people choose to either stay or leave the parental home. Generally the move out of home is into the private rental market. There is an expectation that they will subsequently transition into home ownership.

The Australian Bureau of Statistics report on Australian Social Trends, 2006 has a section on Housing for Young Adult Households. This report notes that:

- In 2003–04, there were 4.7 million young adults (aged 18–34 years) in Australia and 71% (3.3 million) of them lived away from their parent(s).
- Of the young adults living away from their parents in 2003–04, the great majority (88% or 2.9 million) were living in young adult households.
- In 2003–04, there were 1.7 million young adult households, making up 22% of all households.
- Young adults are more mobile than people in other age groups. In the 12 months prior to the 2001 Census, 34% of people aged 18–34 years had moved address, compared with 12% for the population aged over 34 years.
- Between 1994–95 and 2003–04, the proportion of young adult households who owned their home fell from 48% to 44%.
- In contrast with the decline in home ownership from 1994–95 to 2003–04, levels of renting have increased. In 2003–04, group households had the highest rate of renting among young adult households at 83% (see <http://www.abs.gov.au/ausstats/ABS@.nsf/7d12b0f6763c78caca257061001cc588/a428496a0ccd9af8ca2571b00016e4d8!OpenDocument>)

Flatau et al note that "Leaving the parental home for the first time reached its youngest point in the 1980's (men; median age of 19.6) and early 1990's (women; median age of 18.9). More recently there has been a rise, with the median age moving closer to 21 years of age." (p 2) Flatau et al point out that women leave the parental home at a younger age than do men; indigenous people tend to leave home at a younger age than non-indigenous people; and improved education participation rates have contributed to people remaining home longer with their parents. They also note that higher house prices and associated housing affordability problems in Sydney and Melbourne are important factors in young people staying at home longer.

Burke, Pinkney and Ewing in their 2002 paper on "Young People and Housing" state that

"The growth in youth homelessness in recent decades is in part a reflection of the difficulties of some young people in making the transition to independent living. This may be because of inadequate personal skills and an associated lack of support; or it could be due to the constraints of the housing system, lack of income or a combination of all of these." (p 2)

Burke et al found that "young people living independently tend to live disproportionately in group households" and that "proximity to possible work or to the educational institution where they are studying is a key factor in young people's decisions about where to live." The young people surveyed by Burke et al nominated high housing costs as their biggest housing problem. "Because of their stage in life and trends in education

and employment, young people tend to have low incomes.” (p9 3 and 4) Burke et al further note that:

- A significant number of young people living independently were spending more than 30% of their income on housing;
- There is a lack of affordable rental housing near tertiary institutions in the inner suburbs for students;
- Difficulties included paying up front housing costs, including bond, rent in advance, connection fees for essential services.
- Young people also cited that the housing available was in poor condition and discrimination by estate agents or landlords as housing issues.

For these reasons Flatau et al advocate that tertiary institutions be encouraged to provide more purpose built affordable student accommodation, particularly in high cost locations.

Beer and Randolph in their 2006 AHURI research and policy bulletin on “Youth homelessness in rural Australia” note that:

“Homelessness, amongst young people in rural areas, generally takes the form of secondary⁹ or tertiary¹⁰ homelessness, contributing to their relative invisibility. Young people living in rural areas face many of the challenges confronting urban youth, but are also distinguished by a number of factors that make their experiences of homelessness distinctive including: difficulties in finding employment where labour markets are ‘thin’ with a premium placed on experience, and tight, often expensive, rental housing markets that offer sub-standard housing and often discriminate against youth. The research shows that there are limited support services in rural areas for young people and those that exist tend to be concentrated in the larger regional centres.” (p 2)

Anne Turley, chief executive of Melbourne Citymission stated in an article in the Age newspaper in September 2007 that “housing is a basic need and a fundamental right. It's the foundation on which all other forms of social and economic participation are built. Safe, secure and affordable housing is particularly critical for young people who cannot live with their parents, or are making the transition to independent living, education and work.” Further, she points out that “a 20-year-old who is single and on a full-time training program receives a maximum of \$226 a week, including rent assistance and Youth Allowance. The median rent for a one-bedroom flat in a low-cost suburb in western Melbourne is \$130 a week. That leaves \$13.70 a day for food, transport, utilities, clothing and education fees. This is not sustainable.”

The ACTU also point out (“Housing dream fades for young people” for the National Summit on Housing Affordability in July 2006) that many young working people are giving up on the prospect of owning their own home. The ACTU see this as a result of the lack of cheap housing and the rise in casual and part time work. The article notes that “house prices are rising at over double the rate of pay increases for average workers” and that “the rise in casual and part time work is also adding to the problem that young workers face in securing loans for housing and saving for a deposit”. In addition, young workers are also faced with paying off big HECS debts from their studies at university which makes it difficult for them to save for a house deposit.

What can be done to assist in meeting the housing needs of young people?

- Under the Human Services Accord, Housing NSW and the Department of Community Services have undertaken a pilot project for young people aged 16-18

⁹ Defined as moving between various forms of temporary shelter including friends, relatives, youth refuges, night shelters, boarding houses, hostels and other forms of emergency accommodation

¹⁰ Defined as living permanently in single rooms in private boarding houses without their own bathroom, kitchen or security of tenure.

years who are leaving out-of-home care in the Hunter region. The aim is to house and support up to 12 young people over a two year period. The young people leaving out-of-home care trial was initiated as a result of concerns by participating agencies that young people were not easily accessing stable housing when leaving care. Young people are over-represented in the SAAP service system, and Housing NSW data shows that many young people do not sustain tenancies successfully.

- Councils can encourage universities to provide affordable student housing.
- Councils can encourage a range of housing types, particularly new more self contained boarding house style accommodation and accessory dwellings, which might provide better quality affordable rental accommodation.
- Any addition to affordable housing stock will improve access by young people.

HOUSING NSW

KEY WORKERS

The term “key worker” broadly refers to low and medium waged workers who provide essential community services. Usage of the term in this context originated in the United Kingdom where it tends to be applied more narrowly and is generally specifically used to refer to a small number of public service occupations, including nurses, teachers, police, prison staff and probation workers, fire fighters, social workers, educational psychologists, planners (in London) and occupational therapists employed by local authorities. It is an important issue because it connects labour markets with housing markets (and transport) and helps explain the need for providing affordable housing.

Peter Phibbs and Gary Glazebrook, in their 2004 Northern Beaches Key Workers Study note that there has been an increasing problem in recruiting key workers in the UK, especially in inner city locations and locations with high housing costs. In these locations the high cost of housing has been problematic in recruiting and retaining these workers. For the purposes of their study, Phibbs et al defined key workers such that they did not exclude the private sector and:

- “Were low income occupations
- Provided key services to the community, such as in the areas of health, education, transport, child care and property protection.” (p 9)

Phibbs and Glazebrook found “the connection between high housing costs and the employment of key workers is currently masked in the Northern Beaches (and other parts of Sydney) by the high proportions of key workers who live in homes that are owned outright.(p46)” As those key workers who own their homes retire, the issue is likely to emerge as a more significant one. However, they also note that “in a broad sense there is evidence that key workers are “moving” from more expensive inner city locations to more affordable locations, especially in western Sydney.(pv)”

The AHURI study on “Housing Affordability, Occupation and Location in Australian cities and Regions” undertaken by Judith Yates, Bill Randolph and Darren Holloway (December 2005) notes that

“In economic terms, key workers have been defined as those needed to support local business or provide essential services, whose shortage is likely to affect the ability of a region to grow or function efficiently. The definition of exactly what occupations are required is open to debate and, in regional terms, is likely to vary according to whether the region is growing or declining. ... relevant workers are likely to be those in casualised or part-time jobs for whom the costs of travel or housing are not compensated for in their inadequate wages.” (p 8)

For their study they examined cleaners, hospitality workers, nursing professionals and computer professionals. Yates et al chose these groups in part because they included “large numbers of workers who receive low or moderate wages... likely to be regarded as essential to the proper functioning of the city and likely to be in short supply in high cost locations as a result of housing affordability issues (rather than as a result of general labour market shortages).(p9)”

Yates et al found that “affordability problems are driven primarily by low incomes rather than occupation *per se* (pvii).” They also found that:

“The implications of a lack of appropriate affordable housing in high cost locations are that many workers are either paying a high proportion of their incomes in meeting their housing costs and/or travelling longer distances in order to work in their chosen location. The consequence is that the high cost inner regions of the

city will be populated by the young, those who prefer to rent, the affluent and those without children. This suggests a bigger issue that needs to be addressed is whether such socially and spatially polarised cities are sustainable in the long run.” (p 88)

And:

“Low paid workers who are the breadwinners in their household are being displaced from high cost regions.....The ultimate cost will be cities which have lost the diversity that made them great in the first place.” (p 88)

The BankWest Key Worker Housing Affordability Report from May 2008 looked only at nurses, teachers, police officers, fire fighters and ambulance officers in 540 local government areas across Australia. In addition they have examined housing affordability only in terms of purchasing housing. However they do provide tables showing the house price to earnings ratio for each of those occupations at 2002 and 2007 for each of the 540 local government areas, and a determination of whether each of the 540 local government areas is affordable or unaffordable for purchase by those five key worker groups.

For Sydney they note:

- “Sydney is the least affordable capital city for key workers in Australia
- 93% of LGAs in Sydney are unaffordable for key workers
- All LGAs in Sydney are unaffordable for nurses, teachers, fire fighters and ambulance officers” (p 7)

For Regional Cities, they found that Queanbeyan is the second least affordable regional city in Australia, with eight of the twenty least affordable regional cities being in New South Wales.

For Towns and Rural Areas they found that two out of the ten least affordable towns and rural areas are in New South Wales and these are Bryon and Kiama.

What can be done to assist in meeting the housing needs of key workers?

- The Centre for Affordable Housing has developed three demonstration projects in Sydney’s Inner West, West and North to demonstrate affordable rental housing can be financially viable. Thornleigh, in Sydney’s North, has been identified as an area where community service workers experience difficulty in affording market rents. The Thornleigh Key Worker Affordable Housing Project provides six units of accommodation for fixed duration, medium-term rent to this group.
- Housing NSW and the City of Sydney Council announced a partnership for a redevelopment project at Glebe which will incorporate new, increased social housing, innovative affordable housing and new private housing. Under the proposal, some of Housing NSW’s aging apartment buildings located in Glebe and part of the City of Sydney’s depot/cleansing facility will be replaced with a mix of new homes suited to the needs of older people, families and people seeking affordable housing close to where they work, including important city workers such as nurses, teachers and cleaners.
- Housing seasonal workers such as in the ski fields, or where there will be an influx of workers due to a major development proposal, may be addressed through voluntary planning agreements with developers.
- Canada Bay council has recently used a voluntary planning agreement in a major development proposal to secure units near Concord Hospital that will be reserved for local nurses on low wages.

Further information is available at:

http://www.bankwest.com.au/Media_Centre/BankWest_Research/BankWest_Key_Worker_Housing_Affordability/index.aspx

or see the AHURI website for the study by Yates, Randolph and Holloway.

HOUSING NSW

HOUSING ISSUES IN NON-METROPOLITAN NSW

Population trends

The Bureau of Rural Sciences "Country Matters 2008 Social Atlas of Rural and Regional Australia" states that

"The level and pattern of population growth outside capital cities will depend on location, extent of the drought, prevailing economic conditions and levels of prosperity of businesses and industry. Retirement and the desire for an amenity lifestyle have been drivers of population growth in some areas. The strongest levels of population growth have occurred in peri-urban areas adjacent to urban centres and in coastal regions. Strong population growth occurred ... along parts of the South and North Coast of New South Wales. In contrast, there has been a clear pattern of continuing population decline in many rural and remote areas in the five years from 2001 to 2006. This decline has been exacerbated by the extended period of drought impacting on agricultural industries and other ancillary and services industries. This has reduced employment opportunities. The social circumstances of many people, communities and towns have changed as the movement of young people and families to regional and major urban centres for better employment and education opportunities has accelerated. Declining population has also led to a contracting pool of potential volunteers, which has had an impact on the social capital of communities. (p2)"

According to the Social Atlas of Rural and Regional Australia, the highest levels of growth outside the capital cities in New South Wales occurred along the coast, particularly in Tweed, Newcastle, around Nowra and Hastings. In addition, they note that population in some regional centres has increased because these centres provide a range of services to the surrounding areas. They point out that this growth is from existing residents and people moving in from small towns and surrounding rural areas, as well as from the movement of some people from capital cities, attracted to regional centres by better housing affordability and a country lifestyle. In New South Wales, the highest growth in such regional centres occurred in Maitland, Queanbeyan, and Wagga Wagga.

The Social Atlas notes that populations declined in many rural areas, particularly in areas that were drought-affected, including Moree Plains, Walgett, Bourke and Central Darling.

The Social Atlas reports that growth in rural areas only occurred in the older age groups: "all age groups over 45 years experienced high levels of growth in rural areas, generally above the national average; all younger age groups experienced decline. This reflects a pattern of young people and people of prime working age leaving rural areas accelerating the ageing of the remaining population. The age profile of the remaining population is therefore older leading to population and community decline. (p5)"

Emma Greenhalgh undertook a thesis entitled "Principal Place of Residence?: Long Term Caravan Park Residents in Rural Australia" and noted that "previous research into rural housing has found that rural areas have greater incidences of after housing poverty as a result of lower incomes. There are also problems of housing accessibility, particularly for specific groups, such as the aged, youth and the disabled. Rural areas also are encountering the migration of 'urban refugees'. This group has high levels of need which creates a further strain on a market." Rural housing issues will be examined after looking at the differences in tenure between metropolitan and rural areas.

Housing Tenure

Will Sanders 2005 paper on "Housing Tenure and Indigenous Australians in Remote and Settled Areas" demonstrates the different tenure profiles between major cities, inner regional, outer regional, remote and very remote parts of Australia for indigenous and non-indigenous households. The information on indigenous households is in the section on Housing Indigenous People. For other (non-indigenous) households, he found that at the 2001 Census:

- In very remote parts of Australia, owner purchaser households comprised only 49.5% of all households, compared with 70.9% in major cities, 73.7% in inner regional areas, 70.3% in outer regional and 61.6% in remote areas.
- Private rental comprised only 9.5% of all households in very remote areas, compared with 18.9% in major cities, 16.6% in inner regional, 16.2% in outer regional and 13.1% in remote areas.
- Public rental comprised 3.9% of all households in very remote areas, compared with 4.9% in major cities, 3.6% in inner regional, 3.8% in outer regional and 3.8% in remote areas. Community rental, another form of social housing, comprised 2.0% of all households in very remote areas compared with 0.4% in major cities and inner regional areas, 0.5% in outer regional areas and 0.6% in remote areas.
- Employer rental comprised 16.3% of all non-indigenous households in very remote areas, compared with 0.4% in major cities, 0.7% in inner regional, 2.1% in outer regional and 13.3% in remote areas.
- The proportion of other tenure and not stated is also much higher in very remote areas, comprising 18.7% compared to 4.7% in major cities, 5.2% in inner regional, 7.0% in outer regional and 13.3% in remote areas.

As Sanders points out, the tenure system in remote Australia is very different from that in major cities and regional areas. For non-Indigenous households, employer provided rental housing is a significant housing form in remote and very remote areas. As Sanders states "many non-Indigenous people who live in remote Australia do so largely because of employment opportunities. Employers, both in government and industry, frequently offer incentives to relocate to remote areas, particularly for skilled workers. Such incentives often include inexpensive employee housing (p9)." In 2001, Sanders found that across Australia "almost half of employer rents are under \$50 per week and almost 80 per cent are under \$100 (p9)." The high level of employer provided housing at least partly explains the lower level of home ownership and also private rental in remote areas. Sanders notes that people living in employer provided housing may also be purchasing a dwelling somewhere else.

According to the 2008 Social Atlas of Rural and Regional Australia, home ownership in rural areas decreased slightly by 0.4% in the 10 year period to 2006, and the number of dwellings privately rented in rural areas decreased over the past decade.

Sanders (op cit) also points out that in more remote areas there is a much higher proportion of people living in non-private dwellings, which reflects employer provided hostel accommodation in settlements based on resource industries:

- In very remote areas 16.8% of non-indigenous people are living in non-private dwellings, compared with 2.0% in major cities, 2.9% in inner regional areas, 3.6% in outer regional areas and 6.0% in remote areas.

Greenhalgh (op cit) reported that "caravan parks play an important role in the housing system of rural areas. Specifically, they are not a residual form of the dominant tenures, but are a separate component of the housing market. Many residents (in her case study) did not consider the broader housing market and immediately moved into the park." Residents in her case study were disadvantaged, with low incomes and reliance on

government benefits. Further information on residents of caravan parks is in the fact sheet on Caravan Parks.

Housing Issues in Rural Areas

Hillier, Fisher and Tonts in their 2002 AHURI report "Rural housing, regional development and policy integration: an evaluation of alternative policy responses to regional disadvantage" note that "the affordability and availability of appropriate housing contributes to regional economic and social development in small rural communities: if such communities do not have a suitable housing infrastructure, arresting population decline and promoting economic growth become problematic. (p2)"

Hillier et al note that previous studies have found that in rural areas:

- the lower cost of land in non-metropolitan areas is offset against higher construction costs
- availability of rental accommodation is often low and consequently economic growth may be threatened. Further, much of the rental accommodation tends to be older style housing and is often not suited to the needs of residents. They point out from their case studies that itinerant workers often have to live in hotels and caravan parks because of a shortage of appropriate and affordable rental accommodation.
- entry costs into housing pose major difficulties for low income families
- the 'entrapment' of households in areas heavily dependent on broadacre agriculture is a significant problem. Often the family home is a household's major asset. If it is located in a declining country town, then an inadequate supply of buyers, together with falling prices, may make it difficult to realise the capital that is invested in the family home.
- similarly, retirees in declining centres can find it difficult to sell their home in order to buy a smaller dwelling or to move elsewhere.
- "many smaller rural communities do not have the necessary capital to initiate successful revitalisation efforts. The provision of quality housing for rent and purchase is expensive (and often beyond the means of local communities), but critical in addressing problems such as economic decline, depopulation and rural poverty." (p7)
- "The inadequate supply of housing for purchase or rent not only drives up prices, but prevents key worker relocation and stymies investment in the area. Quality housing is required for people at all lifecycle stages and not simply the child-rearing stage." (p 20)

From their case studies, they identified six main rural housing issues:

1. poor housing quality;
2. very low house and land values;
3. scarcity of land for development;
4. lack of private rental accommodation;
5. inadequate accommodation for key professionals;
6. special needs.

Sea Change Communities

In their report "Meeting the Sea Change Challenge: Sea Change Communities in Coastal Australia" a Report for the National Sea Change Taskforce, March 2005, Gurrin, Squires and Blakely note that coastal communities

"are struggling to plan for rapid population growth driven by internal migration from metropolitan cities and inland areas... In spite of new population growth, many non metropolitan coastal communities are characterised by high levels of unemployment, lower than average household incomes, and greater levels of socio-economic disadvantage along with higher numbers of seniors than other parts of Australia....Social cleavages are occurring between existing residents and

newcomers and between wealthier, usually retiree, sea changers and those lower income groups who have been pushed out of expensive metropolitan areas.” (p 1)

Gurran et al have developed a profile of sea changers, their motivations for moving, the socio-economic characteristics of non-metropolitan communities in coastal Australia and a profile of sea change communities. In terms of the sea changers, Gurran et al note that:

- While retirees have made a significant contribution to the sea change phenomenon, they are no longer the major drivers of coastal population growth;
- New residents of high growth coastal locations are significantly younger than the existing profile of sea change communities (young adults in their 20's and 30's and families with children), however they represent only a small proportion of the total population;
- As the baby boomer generation commences retirement, the number of retirees moving to the coast and to tree change locations is likely to rise again.

On the motivations of sea changers, Gurran et al point out that housing costs, employment circumstances and amenity of the coastal environment are key factors.

According to Gurran et al, the socio-economic characteristics of sea change communities include the following:

- Growth in sea change communities is associated with jobs in lower paid sectors such as retail, hospitality, tourism and caregiving. Further, these jobs are generally seasonal and part time or casual. Consequently residential and tourist development associated with sea changers does not necessarily result in sustainable economic growth.
- Coastal communities have the highest proportion of low income households (17.3% compared to 13.9% average for the whole of Australia), the highest proportion of families receiving income support benefits (with 8% receiving labour market benefits compared to 5.9% average across Australia).
- Coastal areas have the highest “elderly dependency ratio of Australia (24.1 in the populated coastal region of non metropolitan Australia compared to 19 for Australia overall)”. (p 3)

The kinds of seasonal shortages in affordable rental housing experienced in sea change communities are also felt in rural communities such as Snowy River (with the winter influx of skiers), in rural areas which have seasonal influxes of workers (such as fruit pickers) and rural areas subject to major development (such as mining) with an influx of (for example) construction workers for a period of months or more.

Housing Markets in Resource Boom Towns

While the resource boom has impacted most strongly in Western Australia and Queensland, there are still issues in common with areas in NSW with recent major development proposals and several new mines opening, for towns like Cobar whose population fluctuates depending on the fortune of local mines, and for towns experiencing mine or major development closures. In their positioning paper for AHURI entitled “A review of the contextual issues regarding housing market dynamics in resource boom towns”, McKenzie, Brereton, Birdsall-Jones, Phillips and Rowley note that “Mining companies clearly have a major impact on housing availability and affordability in resource boom towns. Relevant factors include:

- How companies manage the sequencing of resource developments and, conversely, the timing of closures and restructuring exercises;
- Company willingness to invest in, or underwrite, the construction of new housing; and corporate human resource policies;

- Company policies on locally-based or long distance commuting workforces;
- Company willingness to make housing available to non-company personnel or otherwise subsidise their housing costs;
- Company willingness to release company controlled land for urban development. P11)”

They state that “the resource boom has led to a rapid increase in population and increased demand for housing. The lack of supply and rising demand for housing has led to housing (mortgage and rental) stress...rental stress has led to the inability...to attract and retain low income workers in the retail and service industries. (p23)” In Karratha, for example, the resource boom has led to a housing crisis, “in the July 2007 quarter, the average price of a four bedroom house to rent was \$2,000 per week...(resulting in) overcrowding, sub-letting, ‘hot bedding’ (several people using the same bed in shifts)” (p33).

McKenzie et al point out that “the existing capacity of the housing market to absorb additional demand is therefore an important variable, particularly in regard to the rental market and temporary options such as caravan parks and camp grounds. (p30)”

The impact of mine closures on local towns is also a significant issue. Overseas experience suggests that “small towns that were relatively isolated and whose principal employer was the mine or plant had the most problems. The larger towns with a varied economy were more able to sustain the closures. Where there was a predominantly commuting workforce, the impact of unemployment was lessened. However, the small resident population that provides services to the mine or plant and its workforce were often hard hit. Small businesses struggled to stay afloat, and many local residents became unemployed” (McKenzie et al. 2008, p26).

Meeting Change in Rural Communities

The Australian Bureau of Rural Sciences has undertaken three case studies on the impact of drought in rural Australia, including the Riverina district, in it’s Country Matters 2008 Social Atlas of Rural and Regional Australia series (the link is below). The Bureau notes (in 2008 Country Matters - Social Atlas of Rural & Regional Australia – Drought) that “The pressures of drought can result in family stress, family breakdown, changes to family structure, loss of employment, changes in employment, and a decrease in social inclusion. The case study areas in central coastal Queensland, the Riverina in New South Wales and southwest Western Australia have faced considerable changes during 2001 to 2006 — social pressure from changes in employment, population and family structure, and the availability of human capital. (p15)”

Hillier et al (op cit) suggest that “as the economic base of a region changes and diversifies, there is a need for housing to support this by catering for and attracting a diversity of immigrants (people moving into the region), who may at first be largely transient or uncertain of their commitment to the area. At the very least, this seems to call for:

- a wider-than-traditional range of dwellings to cater for different types of households;
- adequate and affordable rental options;
- good quality subsidised accommodation for key professional service providers in both the public and private sectors; and
- housing for people with special physical, social and cultural needs. (p32)”

They suggest that where the market fails to deliver, intervention may be required to:

- develop “mechanisms to normalise areas of employment-tied housing in areas where the industrial base is changing. This could include enabling individual title and sale; purchasing the housing and either renting or selling it to the residents;

where the housing is substandard, offering alternative accommodation or purchasing it from the resident (if owner occupied).

- provision of appropriate key worker housing of adequate quality in order to attract police, education and health professionals to the regions, accompanied by the retention of public services in the regions to ensure an adequate level of services and facilities. In many cases there will be a need to extend this offer to key professionals working in the private sector, such as general practitioners,
- development of strategies to ensure the needs-identification and provision of housing suitable for young people who might otherwise leave the area, the elderly to be able to remain in the area, crisis accommodation, culturally appropriate (especially Indigenous) accommodation that incorporates appropriate modifications for disabled residents (pp 32-33)”

Gurran et al have completed a second report “Meeting the Sea Change Challenge: Best Practice models of Local and Regional Planning for Sea Change Communities” in which they suggest a number of strategies and provide examples of where local government has used planning instruments to address some of the issues facing such communities. In relation to appropriate and affordable housing, they recommend preparing a local housing strategy as a first step (the Local Government Housing Kit on the Housing NSW website can assist with this), including a housing needs assessment (containing an analysis of demographic and socio-economic trends affecting housing demand and housing market characteristics) and actions to address these needs. Some of the types of strategies that can be used are covered in the section of the Explanatory Notes and Fact Sheets on Using Planning Mechanisms for Affordable Housing.

For more information see:

Further information on housing impacts of the resource boom is in the section on Social Impact Assessment.

Please see the section on Housing For Young People as it contains information on youth homelessness in rural Australia.

For more information on the impact of drought on rural NSW, particularly the Riverina, see 2008 Country Matters - Social Atlas of Rural & Regional Australia - Drought

<http://www.affashop.gov.au/product.asp?prodid=13901>

For more information on sea change communities see

<http://www.seachangetaskforce.org.au/Publications.html>

HOUSING INDIGENOUS PEOPLE

According to the Bureau of Rural Sciences "Country Matters 2008 Social Atlas of Rural and Regional Australia", the proportion of Indigenous people "increased from 2.0% of the total Australian population in 1996, to 2.2% in 2001 and 2.3% in 2006 (usual residence Census count).(p6)" The report notes that in 2006, "the greatest proportion of Indigenous people lived in New South Wales (30.5%) (p6)". Further, the report notes that "most Indigenous people live in urban areas. Nearly half (42.2%) of all Indigenous people live in regional centres throughout Australia, and a third (33.9%) live in major urban centres. Only 12.6% of Indigenous people live in rural areas. (p6)"

In NSW 2% of people identified as Indigenous at the 2001 census and 2.11% at the 2006 Census. The Indigenous population is growing at three times the national average. According to the ABS, between 2001 and 2006 the number of Indigenous people increased by 11% nationally and the Indigenous population in NSW is a little over 138,000 – more than any other state or territory.

"In Broken Hill, Dubbo, Orange and Tamworth indigenous numbers have jumped by between 50 per cent in the case of Broken Hill, and nearly 30 per cent in Dubbo. Part of this growth is due to urban drift, and part because of the exploding indigenous birthrate" ("Caught out by an urban time bomb", Sydney Morning Herald 10/03/2008.) This article further reported that "the influx of Aborigines into rural towns has been matched by an exodus of non-indigenous Australians who have moved out, takings skills, wealth and in some cases businesses with them. In Broken Hill the non-indigenous population dropped 5.9 per cent" between 2001 and 2006.

Thus far the rapidly growing Indigenous population has not been matched by growth in services, including housing, health care and education, compounding Indigenous disadvantage. All levels of government need to work together to address this issue. However, self determination is vital to Indigenous communities and it is essential that Indigenous people are included in the decision making processes addressing disadvantage in their communities.

For Indigenous people, the nuclear family is not the most common household type. They have higher rates of mobility, higher visitor numbers and much lower rates of home ownership than the non-Indigenous population. These factors can exacerbate poverty and housing stress. They can also mean overcrowding and occupation of sub-standard housing.

Daly and Smith in their 1999 paper "Indigenous household demography and socioeconomic status: The policy implications of 1996 Census data" for the ANU Centre for Aboriginal Economic Policy Research, suggest that Indigenous households commonly consist of extended families whose members may live together in a single physical dwelling, but are more likely to be residing across several nearby dwellings. Indigenous households are more likely to contain sole parent families and have a larger number of children than non-Indigenous Australian households. The adults are younger, have lower levels of income and education and are less likely to be in employment than non-Indigenous Australians. The Indigenous population is forecast to remain relatively youthful due to high birth rates and premature mortality.

While the major trend is that Indigenous households are urbanising, they are more concentrated in relatively remote and regional areas compared with non-Indigenous Australian households. (At the 2001 Census 30.5% of Indigenous people lived in major cities, 20.3% in inner regional areas, 23.1% in outer regional areas, 8.5% in remote areas and 17.5% in very remote areas. This compares with 66.7% of non-indigenous people living in major cities, 20.8% in inner regional, 10.3% in outer regional, 1.6% in remote areas and 0.7% in very remote areas.)

Indigenous people may face discrimination that can make it difficult for them to access the private rental market. This can leave them with few housing options.

Housing Tenure

Will Sanders 2005 paper on "Housing Tenure and Indigenous Australians in Remote and Settled Areas" demonstrates the different tenure profiles between major cities, inner regional, outer regional, remote and very remote parts of Australia for Indigenous and non-indigenous households. The information on non-indigenous households is in the section on Housing Issues in Non-metropolitan NSW. For Indigenous households, he found that at the 2001 Census:

- Across Australia, only 32.2% of Indigenous households owned or were purchasing their home, compared with 71.1% for non-indigenous households.
- In very remote locations, the proportion of Indigenous owner purchasers was 7.3% compared with 38.1% in major cities, 38.4% in inner regional areas, 32.4% in outer regional areas and 23.2% in remote areas.
- Across Australia Indigenous households in private rental averaged 23.8% compared to 18.0% for non-indigenous households.
- In very remote locations the proportion of Indigenous private renters was 3.0% compared with 28.8% in major cities, 29.4% in inner regional areas, 24.8% in outer regional areas and 13.3% in remote areas.
- Across Australia 20.8% of Indigenous households were in public rental housing compared with 4.5% of non-Indigenous households. A further 12.7% of Indigenous households were in community rental compared with 0.4% for non-indigenous households.
- In very remote locations, the proportion of Indigenous households in public rental housing was 9.7% compared to 23.4% in major cities, 18.9% in inner regional areas, 21.6% in outer regional areas and 26.4% in remote areas. For community rental, in very remote locations this tenure comprised a massive 61.0%, compared with 2.3% in major cities, 5.4% in inner regional areas, 9.8% in outer regional areas and 19.1% in remote areas.
- Across Australia 1.7% of Indigenous households lived in employer rental housing, compared with 0.8% for non-indigenous households. However in very remote communities employer rental comprises 4.0% for Indigenous households and a massive 16.3% for non-Indigenous households.
- This compares, for Indigenous households, to 0.6% employer rental in major cities, 0.7% in inner regional areas, 1.8% in outer regional areas and 5.1% in remote areas.
- Other and not stated total 14.9% in very remote areas compared with 6.6% in major cities, 6.9% in inner regional areas, 9.6% in outer regional areas and 12.8% in remote areas.

Community rental¹¹ is a significant tenure form in remote and very remote areas for Indigenous households.

Sanders also points out something very interesting about differences in the size of indigenous households between major cities and more remote areas. Indigenous

¹¹ "Community rental is the product of a 30 year government initiative in which somewhere between 500 and 1,000 dwellings per year have been built in discrete Indigenous communities at public expense and vested in indigenous community organisations for ongoing management (Sanders 1993). The capital provided by Commonwealth and, to a lesser extent, State and Territory government agencies for these dwellings has been via grants rather than loans, and thus has not had to be repaid. Dwellings have generally been built on land to which Indigenous groups already have some reasonably secure title, be it freehold, leasehold or inalienable Aboriginal title. Hence in some ways this should be referred to as community owned housing. However Indigenous community organisations have been encouraged by government to charge rents for these dwellings with the aim of covering asset maintenance and other recurrent costs. This has led to the label 'community rental'." (p10, Sanders)

households with seven or more people comprise just 2.8% of all indigenous households in major cities but comprise 28.1% of all households in very remote areas (and 3.5% in inner regional areas, 5.0% in outer regional and 8.6% in remote areas at the 2001 Census). While Indigenous families may wish to live in extended family groupings, the fact that in very remote locations more than a quarter of all households are seven or more people while in major cities they comprise less than 3% of all households shows overcrowding is at least as much a response to the lack of housing supply in remote areas.

Many Indigenous Australians, particularly in remote Australia, suffer from unacceptable levels of substandard housing, overcrowding and homelessness.

Consequently Sanders suggests a couple of indicators of Indigenous housing disadvantage. He notes that "Indigenous households in major cities and regional areas are in private rental dwellings at rates between 8 and 13 per cent higher than other households (p17)" and that this could be a good indicator of disadvantage. However, he suggests that in more remote communities, household size, irrespective of tenure, may be a better indicator.

Indigenous people were over-represented in all sections of the homeless population where data is available, as the table below shows:

	Boarding house (N=7,815)	Friends or relatives (N=7,731)	SAAP (N=3,918)	Improved dwellings (N=2,820)	All (N=22,284)*
	%	%	%	%	%
Non-indigenous	96.8	95.8	90.1	92.1	94.7
Indigenous	3.2	4.2	9.9	7.9	5.3
	100.0	100.0	100.0	100.0	100.0

* Figures have been adjusted for missing data on Indigenous status

There were 1,376 homeless Indigenous people in New South Wales on census night (2001). There were 554 Indigenous people who were marginal residents of caravan parks.

Commonwealth, State and Local Housing Initiatives for Indigenous people

- The Australian Government will implement a strategy of major reforms to assist with the Indigenous housing problem particularly in remote Australia, expected to commence 1st July 2008. The Government will provide \$293.6 million in new funds in the 2007-08 Budget, over and above the current level of Indigenous housing funding of around \$380 million per year.
- The Department of Families, Housing, Community Services and Indigenous Affairs provides funding under the Aboriginal Rental Housing Program¹² and the Community Housing and Infrastructure Program. From 2008-09 the CHIP will be abolished and replaced by a new expanded Australian Remote Indigenous Accommodation (ARIA) Programme.
- According to the FAHCSIA web site, "overcrowded housing in Indigenous communities is a major contributor to social problems, poor health and low school attendance. The new investment will be linked to more training and employment

¹² ARHP funding is directed towards construction and purchase of housing, providing essential health-related housing infrastructure, maintenance and upgrading of housing stock, and funding of strategies to enhance the housing management capacity of Indigenous communities (for example, training in asset and tenancy management).

opportunities for Indigenous people in housing construction, repairs and maintenance. Indigenous Australians living on community land who want to own their own homes will also have a greater opportunity to do so, through changes to land tenure and financial support from the Australian Government.”

- As the additional funding is targeted to remote and very remote parts of Australia and predominantly the Northern Territory, Indigenous people in NSW will continue to rely on existing ARHP funding under the Commonwealth State Housing Agreement.
- The NSW Aboriginal Housing Office is a statutory authority governed by an Aboriginal board. The Office was established in 1998 to:
 - ensure that Aboriginal people and Torres Strait Islanders have access to affordable, quality housing
 - ensure that such housing is appropriate to the social and cultural requirements, living patterns and preferences of the Aboriginal people or Torres Strait Islanders for whom it is provided
 - enhance the role of Aboriginal people and Torres Strait Islanders in determining, developing and delivering policies and programs relating to Aboriginal housing
 - increase the range of housing choices for Aboriginal people and Torres Strait Islanders to reflect the diversity of individual and community needs
 - encourage the sustainable employment of Aboriginal people and Torres Strait Islanders in the delivery of Aboriginal housing assistance.
- In addition to encouraging affordable housing and a mix of housing types and configurations (including housing with a larger number of bedrooms), Councils can work with Aboriginal Land Councils and other Aboriginal groups. For example Wollongong Council donated a block of council-owned land to an Aboriginal aged housing complex and established a project advisory committee and an Aboriginal Management Committee with the local Aboriginal Land Council.
- In negotiating major development approvals, councils could encourage commitments to employment and training of Indigenous people.
- Again it is important to include Indigenous people in developing solutions for their communities.

For more information, contact or see:

- The NSW Aboriginal Housing Office at www.aho.nsw.gov.au/
- The Department of Families, Housing, Community Services and Indigenous Affairs is at <http://www.facsia.gov.au/internet/facsinternet.nsf/indigenous/nav.htm>
- Indigenous portal at www.community.gov.au/Internet/MFMC/community.nsf/pages/section?opendocument&Section=Indigenous%20Housing
- The Australian Housing and Urban Research Institute (AHURI) has undertaken a number of studies on indigenous housing which can be found at <http://www.ahuri.edu.au/>

SOCIAL IMPACT ASSESSMENT

It is important to assess the social impact of major development proposals or redevelopment in a region in order to negotiate for mitigation of likely impacts. It is also important to examine the cumulative impact of a number of major developments in a region. Impacts on the housing market from major development proposals include:

- An increase in demand for housing, particularly for rental accommodation – as a direct result of the proposal or as an indirect effect. Increased demand can put pressure on local housing markets, squeezing out lower income earners.
- An increased demand for housing assistance may result.
- Increased rents will reduce the discretionary income of those in housing stress and will impact on their ability to pay for other essential items including health, transport, utility bills and other household expenses and lead to problems in areas other than housing.
- Residents may be displaced, that is made homeless or be forced to relocate away from social and support networks in order to find affordable housing.

McKenzie, Brereton, Birdsall-Jones, Phillips and Rowley (op cit) report that “most of the larger mining companies have formally adopted policies which recognise that mines have a responsibility to mitigate negative social impacts and contribute to the development of communities in and near where they operate. (p9)” McKenzie et al outline the impacts of the resource boom on local mining communities including:

- “Households on low and fixed incomes being forced to relocate to areas with less expensive housing markets;
- Difficulties in attracting and retaining workers, particularly in essential services and support industries;
- Social and health problems associated with families being separated while miners work extended rosters and live on mining sites;
- Social problems associated with large numbers of single miners congregated in small mining towns;
- Health and safety issues associated with workers driving long distances to regional centres at the end of work rosters. (p25)”

McKenzie et al also further point out that “the overall scale and nature of the mining activity has a range of impacts on housing demand, including the accumulating impact where there are multiple mines in the vicinity. Company policies in regard to shift patterns, use of FIFO¹³ (and DIDO) and contract labour, whether they provide accommodation assistance and the form that this takes are key factors. Provision of temporary singles accommodation, family housing or rent assistance will have different impacts on local and regional housing markets. The stage of the mining activity is also an important consideration as the housing impacts will be different at the construction, operation and wind-up stages. (p30)” (Further information on housing markets in resource boom towns is in the section on Housing issues in non-metropolitan NSW.)

Many councils require a social impact assessment be prepared for certain types of development and some have prepared guidelines to assist applicants in that process. For example:

- Newcastle City Council has a Social Impact Assessment Policy document which guides applicants on what they are required to provide in a social impact assessment and the DCP guides applicants on what types of development require an SIA. More

¹³ FIFO - Fly in fly out and DIDO - Drive in drive out

information on Newcastle Council's SIA policy is at www.ncc.nsw.gov.au/data/assets/pdf_file/0005/5576/social_impact_assessment_policy.pdf

- Similarly, Port Macquarie Hastings Council has a Social Impact Assessment Policy which provides guidelines for undertaking a social impact assessment. Council is in the process of revising the policy and the draft is available at <http://www.hastings.nsw.gov.au/www/html/3748-social-impact-assessment-policy.asp>
- Wyong Council requires a social impact assessment prepared by a consultant for development applications for caravan parks and manufactured home estates under their Development Control Plan 2005: Chapter 23 – Caravan Parks.

To reiterate, the point of the social impact assessment is to assist in mitigating potential negative impacts as far as possible. Consent authorities can utilise conditions of consent and voluntary planning agreements to mitigate the impacts of major development proposals.

HOUSING NSW

PART D

FURTHER INFORMATION

ASSISTANCE FROM THE CENTRE FOR AFFORDABLE HOUSING

If Council requires any assistance in the exploration of affordable housing issues and provisions, the Centre for Affordable Housing within the Department of Housing would be pleased to provide advice. The Centre is a business unit within Housing NSW whose purpose is to facilitate increased affordable housing opportunities across NSW. The Centre has expertise in affordable housing and can assist in exploring and identifying potential opportunities for developing affordable housing in the local government area. Michael Oelofse, the Centre's Senior Project and Policy Officer can be contacted on ph 8753 8431 or check the Centre for Affordable Housing's website at www.housing.nsw.gov.au/Centre+for+Affordable+Housing/

NSW LOCAL GOVERNMENT HOUSING KIT

Housing NSW has launched the NSW Local Government Housing Kit on it's website. The Kit provides step by step advice on how to develop a local housing strategy, as well as information on addressing affordable housing, the NSW statutory planning framework for housing and planning mechanisms for affordable housing. There is also a significant database with demographic, economic and specific housing data from a range of sources. The link to the Kit is

<http://www.housing.nsw.gov.au/Centre+For+Affordable+Housing/NSW+Local+Government+Housing+Kit/>

Or just look on Centre for Affordable Housing's section of the website and follow the links.

OTHER WEB SITES

For more information on affordability measures try:

- The National Affordable Housing Forum, particularly Background Paper 2 Key Terminology and Indicators July 2006 at www.housingsummit.org.au

For further background information try:

- The Australian Housing and Urban Research Institute website at www.ahuri.edu.au/

See research and publications including, for example, Local Government and Housing, Nicole Gurran, 2004, or Housing Policy and Sustainable Urban Development: Evaluating the use of Local Housing Strategies in Queensland, New South Wales and Victoria, Nicole Gurran, 2003, or A Practical Framework for Expanding Affordable Housing Services in Australia: Learning from Experience by Vivienne Milligan, Peter Phibbs, Kate Fagan and Nicole Gurran, 2004.

For more information on housing stress, including home purchasers in housing stress:

- the National Centre for Social and Economic Modelling (NATSEM) at the University of Canberra produced a report entitled Trends in Housing Stress which is available online at http://www.apo.org.au/linkboard/results.chnl?filename_num=14371
- Or for other Natsem publications, including their recent Income and Wealth Report see <http://www.canberra.edu.au/centres/natsem/>

For more detailed information on Landcom's mechanisms to encourage moderate income affordable purchase housing, including Forest Glade "smart housing", check www.landcom.com.au/moderateincomehousing.aspx

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