Heather Warton, Director  
Metropolitan and Regional Projects North  
Department of Planning & Infrastructure  
GPO Box 39  
SYDNEY NSW 2001

Attention:  Heather Warton  
Director – Metropolitan and Regional Projects North

Dear Ms Warton,

RE: Exhibition of Stage 1 – Kings Forest – Kingscliff, Tweed Local Government Area (08_0194)

I refer to the Department of Planning and Infrastructure’s public exhibition of the Environmental Assessment Plan for Kings Forest - Stage 1 Subdivision and Bulk Earthworks submitted by Project 28 Pty Ltd. Housing NSW and Housing & Property Group (DFG) welcome the opportunity to review this Project Application. It is noted that Project 28 Pty Ltd’s (the proponent’s) proposal does not directly affect any existing Land and Housing Corporation properties. Our interest in the Kings Forest Urban Release Area is in relation to ensuring that access to housing is provided for all income groups in that community and for all stages a household may go through, and, to promote housing affordability more generally throughout the LGA. A previous submission was provided in March 2009 in response to the initial Kings Forest Concept Plan Application that supported the proposed mix of lot sizes and dwelling types, requested that the report on future demographics be expanded to examine at minimum income, employment, bedroom mix and tenure and that DPI consider a voluntary planning agreement for the provision of affordable housing on site.

Housing Issues in the Tweed Shire

A Housing Market Analysis was prepared for the Tweed LGA (see Attachment 1) which identified the following significant housing issues affecting the community:

- Tweed has a significant number and proportion of low and moderate income earners in rental stress (particularly very low income renters in receipt of CRA) and the numbers are growing. Like the rest of Australia, Tweed has more low and moderate income renters in stress than purchasers in stress. There is insufficient affordable rental housing to meet demand and consequently there is a need to increase the supply of affordable housing and in particular, affordable rental housing.

- The fact that there are large numbers of people living permanently in caravans and manufactured homes in Tweed further underscores this point. That more than half of the caravan/ manufactured home residents in Tweed are dependent on a pension or benefit means that these people are particularly vulnerable.
The Far North Coast housing market has the highest number of homeless people sleeping rough of any of the 24 Housing NSW defined housing markets in NSW. The number of homeless in the Far North Coast is a significant issue and further underscores the need for a range of affordable housing.

The reduction in proportion of private rental stock and in particular, affordable private rental accommodation is a significant issue. The proportion of low and moderate income renters in stress in Tweed increased between 2001 and 2006 - demand is increasing and supply is declining.

The fact that a significant proportion of those in housing stress in the private rental market in Tweed are older people suggests there are insufficient affordable housing opportunities for older lower income earners.

The need for more diversity of housing stock, including more one bedroom and two bedroom stock, studio dwellings, accessory dwellings or granny flats and boarding house type accommodation, to meet the needs of the community throughout the housing life cycle. Single parent households are by far the largest household type in receipt of CRA and in housing stress in the private rental market in Tweed. In addition, across NSW the trend is to declining household size and this is evident in Tweed also with a low and declining average number of persons per household.

In Tweed Shire 54% of very low to moderate income households are in home purchase stress, that is spending more than 30% of their gross income on housing costs. In NSW efforts to address shortages in affordable housing largely target the rental market. In Byron Bay a total of 77% of very low to moderate income households are paying unaffordable rents, compared to 58% across NSW.

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. Tweed has a similar proportion of dwellings affordable for purchase by lower income earners than the average for the GMR. This is further evidenced by the high and increasing proportion of low and moderate income purchasers in housing stress in Tweed. The fact that key workers such as nurses, police, teachers, fire fighters and ambulance officers could not afford to purchase housing in Tweed is of concern. The purchase affordability issue may in part be a reflection of the lack of diversity of housing stock – diversity in terms of not just dwelling type, but also bedroom mix, price point and tenure. However, housing diversity will not guarantee affordability.

**Project Application**
The project is generally supported since this significant residential development has the potential to reduce the pressure on existing housing and house prices through increasing housing supply. Additionally, the proponent is commended for proposing a variety of dwelling types/sizes and lot sizes as part of this development. It is also recognised that the development has sought to comply with the provisions of the Far North Coast Regional Strategy but has not completely complied with the objective of ‘providing choice in housing form and affordability in appropriate locations that responds to changing demographics and associated reduction in household occupancy rates’. From the analysis undertaken by Hill PDA as part of the Environment Assessment it appears that the development’s proposed price ranges will be
accessible for moderate income earners. The project proposes a variety of housing options when compared to similar developments in the Tweed LGA which have been aimed at the high end of the market. However, the dwellings being offered for sale are not considered affordable for the very low to low income earners within this Housing Market. This is of concern and should be addressed.

The proponent’s proposal to ensure a variety of lot sizes and dwelling-types is supported, however it is considered that a greater diversity of dwelling sizes is required, particularly in relation to large family homes (4+ bedrooms) and smaller occupancy dwellings (1 bedroom). In addition Housing NSW stresses the importance of forecasting and understanding housing need and responding appropriately by allowing for a variety of dwelling types and sizes as part of the development. Housing variety presents greater opportunities for all demographics to enter the housing market. There is a lack of housing variety in Tweed Local Government Area which is explained further at Attachment 1 – Information on Tweed Housing Market.

Concern is raised in relation to the delivery of affordable housing as part of the development. ‘Appendix Q – Affordable Housing’ of the Environmental Assessment, prepared by Hill PDA, makes several recommendations in relation to strategies to deliver affordable housing using various methods from land dedication to partnerships with social housing providers. It is considered that the Kings Forest Affordable Housing Study does not adequately address these recommendations. Minimal justification is provided as to why the recommendations are not feasible if this is the case. Also of concern is the small amount of affordable housing proposed 1-3% (45-135 dwellings) of total dwellings this is considered a low target - especially if only 1% is the final outcome.

Housing NSW and Housing & Property Group reiterate the previous request that the DPI consider a voluntary planning agreement with the developer for the provision of affordable housing on site. One option is that a proportion of the land and completed dwellings, dispersed over the development, be provided for affordable housing, with title provided to NSW Land & Housing Corporation and management by a community housing provider. In other locations 3% of the site has been identified as an appropriate contribution.

Project 28 Pty Ltd states that affordable rental housing will be delivered through the National Rental Affordability Scheme (NRAS). The proponent states that between 1% and 3% (45-135 dwellings) of dwellings will be delivered by the funding.

“In regard to the provision of subsidised housing, Project 28 Pty Ltd has submitted a National Rental Affordable Housing Scheme (NRAS) application and will use its best endeavours to secure NRAS funding.” (pp.54)

In relation to a potential NRAS application, Call 4 of NRAS has now closed and successful recipients announced. In NSW, neither Project 28 Ltd nor any development in Kings Forest was successful in receiving incentives. Due to privacy and confidentiality constraints, Housing NSW can not confirm if an application was made by this applicant or for that development. The Federal Government may announce a further funding round for NRAS in 2012, however this has not been confirmed and it is unknown what type of applications would be sought in that process.

Housing NSW would like to offer the assistance of the Centre for Affordable Housing in negotiating with the proponent for the affordable housing component. The Centre for Affordable Housing is able to assist organisations developing affordable housing whether they are from the private, government or not-for-profit sector. This includes, but is not limited to, brokering partnerships and providing technical advice on the
delivery and management of affordable housing. It is a strategic unit with expertise in affordable housing that provides advice and brokers partnerships with private developers, Local Government and the not-for-profit sector to develop new models of affordable housing.

Housing & Property Group and Housing NSW, through the Centre for Affordable Housing, look forward to continuing to work with the Department of Planning and Infrastructure and any other relevant stakeholders regarding the development of affordable housing in the Kings Forest Urban Release Area. Should you have any further queries please do not hesitate to contact, Lacy Barron, Manager, Centre for Affordable Housing by telephone on (02) 87538185.

Yours sincerely,

Christine Hicks
Manager Portfolio Strategy & Planning
Housing & Property Group