

17 December 2020

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## Draft Illawarra Shoalhaven Regional Plan 2041

Community Industry Group (CI Group) commends NSW Government on the collaborative approach undertaken with local councils and to develop the Illawarra and Shoalhaven regional plan, and efforts to date in achieving the original plan's priorities. CI Group is grateful for the opportunity to provide a response.

### About Community Industry Group

Community Industry Group is the peak body working for community organisations in Southern New South Wales, and promotes industry expertise and pursues social justice issues across the region.

For almost 30 years, CI Group has taken a leadership role in the local community services sector. As part of our leadership role, we connect with organisations, services and individuals engaged in supporting disadvantaged community members to collect their opinion, expertise and recommendations.

CI Group works closely with organisations which provide support to vulnerable people across the region including:

- Services for individual and families who live with multiple layers of social and financial disadvantage;
- Social housing and homelessness services;
- Home and community care services;
- Community health services, including mental health services;
- Community development and community capacity building programs.

In our role as Voice, Influence and Leader for the community services industry in Southern NSW, Community Industry Group regularly engages with community representatives on issues affecting the region and is proud to provide this response to help effect social change for individuals, families and communities in the Illawarra and Shoalhaven.

## General comments

The draft Illawarra Shoalhaven Regional Plan delivers a comprehensive review of the original priority actions set in 2015, and it has been encouraging to observe the vision and strategies in the 2041 regional plan develop as the Illawarra and Shoalhaven continues to grow and evolve. However, the objectives relating to housing supply and housing affordability must recognise, and give consideration for, local community members living with disadvantage.

CI Group is concerned the draft plan focuses significantly on housing as a commodity, rather than a home; a basic human right that is integral to the enjoyment of other social, cultural and economic participation, and which provides a foundation for stability, security and belonging within community. It is dangerous to assume that once the minimum physical requirements are achieved, the problem of housing is solved. Reality has demonstrated that various socio-economic barriers have expanded both the cost and capacity to implement different interventions that enable full community participation for the vulnerable groups, including young people, women, families with children, Aboriginal community members and those experiencing homelessness.

## Housing supply

Community Industry Group commends the NSW Government on its initiative to renew and increase social housing. As acknowledged in the draft plan, the region has experienced immense damage from successive disasters including drought, floods, bushfire and the COVID-19 pandemic. With many homes destroyed in NSW, housing which was already in critical shortage is now even harder to source particularly for people on low income such as part-time or casual workers, or those living on income support.

As a result, housing and homelessness continues to be one of the most significant issues impacting vulnerable communities in the Illawarra and Shoalhaven. The draft Illawarra Shoalhaven Regional Plan states that Wollongong, Shellharbour and Shoalhaven have a sufficient supply of housing to meet demand by 2041 (pp. 62) and pledges to provide 100 new social and affordable housing dwellings (pp. 69), however the plan fails to recognise the prevailing shortfall in stock available for eligible social housing clients which has been at crisis point for many years. The proposed 100 new social and affordable dwellings will do little to address the extensive backlog of individuals and families on the waitlist for social housing.

Expected waiting times for a 3-bedroom social housing property can vary between five to ten years in the Illawarra / Shoalhaven.<sup>1</sup> Even when homes are available, much of the stock is old and in poor repair. Existing stock is also highly energy inefficient with poor design and lack of insulation. Thus, even when people on low incomes are allocated a property, they are faced with crippling energy bills.

A further barrier to people living with disadvantage securing a home is the lack of affordable and secure private rental. The *2020 Rental Affordability Snapshot Sydney and the Illawarra* released by Anglicare revealed there were little to no properties which were affordable for people living on income support. This results in barriers to access for interventions such as education or employment which could improve outcomes. A home provides a solid foundation from which people can address their issues and

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<sup>1</sup> NSW Government (2020), *Expected waiting times*, Department of Communities and Justice

disadvantages. For those living on income support payments, it is increasingly impossible to find and secure an affordable and appropriate private rental home in the region.

CI Group supports the establishment of the Illawarra Shoalhaven Affordable Housing Roundtable (pp. 68) and a collaborative process to planning affordable housing solutions, however notes the absence of many community housing providers which are operational across the region within the draft plan. CI Group recommends active engagement and inclusion of other organisations delivering housing and homelessness solutions in the region to ensure the diverse perspectives of community groups are captured, such as:

- [SAHSSI](#) – a housing provider which also provides access to related services to people in the Illawarra Shoalhaven district, especially those women and their children affected by domestic and family violence.
- [Illawarra Aboriginal Corporation](#) – which delivers housing and homelessness programs designed to assist Aboriginal people with access to stable housing, as well as supporting those who are at risk at homelessness.
- [Southern Youth and Family Services](#) – which provides support and assistance to vulnerable, disadvantaged and homeless young people and those at risk of, disadvantage and homelessness.
- [Wollongong Emergency Family Housing Inc](#) – which supports families and individuals who are homeless or at risk of homelessness to either sustain their existing accommodation or attain and keep new tenancies through a combination of early intervention, case management, referral, advocacy and information.
- [Argyle Housing](#) – a social and affordable housing provider.

Recommendations:

- As the peak body working for community organisations in Southern New South Wales, CI Group be appointed as a member of the Illawarra Shoalhaven Affordable Housing Roundtable in order to represent the sector, and participate in the collaborative effort between government departments, councils and community housing providers.
- Inclusion of community housing providers in the region in the Roundtable to ensure housing strategies are cognisant and reflective of community need.
- Award social housing development grants to small-medium community providers with social housing provider registration to fund projects formed in partnership between the construction industry and community housing sector to create local job opportunities for community members, and build homes that are guaranteed to be affordable and stay affordable for local people to rent.
- Include small and medium size organisation in reallocation of housing stock. Stock transfers have historically been allocated only to large agencies, but this inhibits the opportunity for small and medium sized social housing providers to respond to the needs of the communities in which they are embedded, and to grow and develop organisationally.

## Housing affordability

The cost of housing has risen faster than inflation causing many people to struggle to pay for housing, and the demand on social housing is projected to increase. Lack of opportunity, especially when compared with areas such as Greater Sydney, means that levels of unemployment, particularly youth unemployment remain high. Local Government Areas with the highest unemployment rates include Shoalhaven at 7.9%, Shellharbour at 7.8%, Eurobodalla at 7.7%, and Wollongong at 6.9%<sup>2</sup>. These figures do not capture hidden unemployment across the region caused by a lack of opportunity leading to job seekers giving up and thus being excluded from labour force statistics. Additionally, an estimated 8,600 jobs have been lost in the Illawarra since February, and the Southern Highlands and Shoalhaven which relies on tourism as one of its main industries has lost up to 3,900 jobs.<sup>3</sup> CI Group anticipates the fall-out from the recent economic downturn caused by the unprecedented bushfire season of 2019/20 and COVID-19 pandemic will continue to materialise for some years to come.

While strategy 19.1 for providing diverse housing choices and dwelling sizes outlined in the draft plan (pp. 67) presents a mix of housing options for purchase, the value of this strategy will only benefit moderate income households and does not address issues of housing affordability for low-income earners or people living on income supports. Whilst the region has been impacted by economic downturn, the recent shift to flexible work from home arrangements has generated spillover demand from surrounding areas such as Greater Sydney. The Illawarra and Shoalhaven region's proximity to Sydney and coastal lifestyle offers an attractive opportunity for relocation and the region has become increasingly popular with many workers who are no longer required to travel into their workplace. In addition, economic stimulus incentives such as interest rate cuts and bank loan deferral schemes have sustained inflated prices in the private housing market.

The Shoalhaven is among the least affordable areas for private rental in NSW, with households needing to increase their income by \$149 to avoid housing stress.<sup>4</sup> Across the Illawarra, 0% of available rental properties are affordable and appropriate for single persons with two children reliant on the parenting payment single, and there is less than 1% of available rental properties suitable for people on income support.<sup>5</sup>

Mechanisms which have been designed and implemented to increase a person's ability to pay rent or purchase a home, while valued, continue to drive up housing prices, increase the cost of accommodation, and perpetuate cycles of unaffordability. For example, rent assistance provided to those requiring government support to pay rent does not tackle affordability, but simply increases an individual's capacity to pay higher rents. Similarly, the First Home Owners grant pushes the cost of house purchases up. As a consequence, social housing rents which are calculated on market rents increase compared to what a tenant in an affordable housing property is charged. Low-income families often experience the greatest amount of housing stress and social disadvantage devoting a large share of their income to housing, and making sacrifices to meet their housing costs, such as going without food, or children missing out on school activities.

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<sup>2</sup> Australian Government (2020), *Labour Market Information Portal*

<sup>3</sup> NSW Business Chamber (2020)

<sup>4</sup> Australian Human Rights Commission (2019)

<sup>5</sup> Anglicare (2020), *Rental Affordability Snapshot Sydney and the Illawarra*

Recommendations:

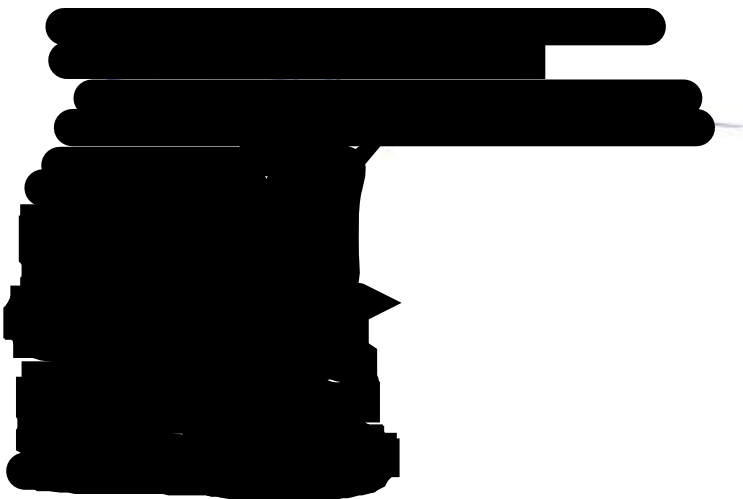
- CI Group recommends setting at least 15% affordable housing targets in new developments as a mechanism to deliver an additional supply of affordable housing for very low to low-income households and to create a pathway to support people moving out of social housing.
- Coordination of economic policy in conjunction with housing policy to support access to secure, suitable housing which will, in turn, drive economic participation rates for those who can work. Through policy alignment the necessary strengthening of products and services that connect tenants with employment, education, training and other community engagements can be sustained.
- Implementation of rent-control regulations to ensure the affordability of housing and tenancies is maintained.
- An integrated, planned and goal-driven approach to addressing the affordable housing needs of the community would enable more efficient, cost-effective and coordinated strategy development across a range of policy areas.

Overall, CI Group is supportive of the principles and goals of the draft plan, however, we advise that future planning must be designed with the most disadvantaged residents in mind in order to achieve a fully cohesive and vibrant community.

Thank you for the opportunity to comment on the Illawarra Shoalhaven Regional Plan. We would be happy to discuss our comments or recommendations in more detail if required.

If you require any further information, please do not hesitate to contact us.

Sincerely,

A large area of the document is redacted with black ink, obscuring the signature and any accompanying text or contact information.