

DECEMBER 17, 2020

THE DRAFT ILLAWARRA SHOALHAVEN REGIONAL PLAN 2041

NOVEMBER 2020

SHELTER NSW SUBMISSION

Prepared by: Shelter NSW

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INTRODUCTION

Shelter NSW appreciates the opportunity to comment on the Draft Illawarra Shoalhaven Regional Plan 2041 (November 2020). We congratulate Council, and we support many of the proposed Actions outlined, especially those which aim to deliver housing choice in the context of a sustainable future.

From Shelter NSW's perspective, we see the Regional Planning process as an opportunity to promote dialogue about ways to deliver homes that meet the needs of all NSW residents. The purpose of this submission is to advocate for housing outcomes that address both the longer-term systemic housing needs of regional communities.

Having reviewed the Draft Illawarra Shoalhaven Regional Plan 2041 (November 2020), Shelter NSW has provided practical policy suggestions that we feel might support or strengthen the housing-related priorities outlined in your document. Our submission also provides a short overview of Shelter NSW's role as the NSW State peak body in the housing policy and advocacy space and a summary of the key messages we recently heard during our community and stakeholder consultation sessions across NSW on what a desirable housing system should deliver.

ABOUT SHELTER NSW

Shelter NSW is an independent, non-profit, member-driven organisation that has been advocating for better housing outcomes since 1975. We represent the broad interests of a diverse network of members, partners and aligned industry stakeholders who share our vision of a secure home for all NSW residents. We are especially concerned with housing insecurity, increasingly experienced by people on low and very low incomes. We pursue our vision of an economically, socially, and environmentally sustainable housing system through critical engagement with policy and collaborative leadership initiatives with government, community and the private sector.

OUR VISION

Our vision is to create a sustainable housing system that provides secure homes for all.

Key messages from Shelter NSW's 2019 community visioning sessions:

- 1. Make plans that emphasise housing as a home, not just an investment*
- 2. Build places and communities, not just houses and towers*
- 3. Create diverse housing that everyone can afford, not just high-income earners*
- 4. Make renting a genuine alternative to ownership, not just a transition phase*
- 5. Address climate change through the housing system, not exacerbate it.*

At Shelter NSW we believe that all people deserve to live in housing that delivers these priorities and objectives. We assert for example, that someone renting has as much right to secure, affordable and sustainable housing as someone who owns their own property.

SHELTER NSW COMMENTS

ON THE DRAFT ILLAWARRA SHOALHAVEN REGIONAL PLAN 2041

In our submission, Shelter NSW intends to address some major issues highlighted in the Draft Illawarra Shoalhaven Regional Plan 2041 (November 2020) - namely, that 81% of low-income households renting in this region are in rental stress and that 51% of lower-income households purchasing a home were in financial stress. Our submission's purpose is to provide feedback on housing-related priorities to support or strengthen the identified strategies and actions in the Plan.

Objective 18: Provide housing supply in the right locations

Strategy 18.1 Identify urban growth boundaries and facilitate opportunities to create an ongoing supply of housing in local strategic planning and local plans.

Shelter NSW's ongoing review of the planning system has presented evidence that the majority of regional centres across NSW need more housing choice for several reasons.

Firstly, these regional centres and surrounding townships are primarily dominated by freestanding homes and 20 to 30 percent are occupied by 'empty nesters', many of whom have reached retirement age and need access to smaller homes, close to main centres. These regions also have a younger populations, often looking for alternative lifestyle and housing options. This state of affairs is not easily solved by initiatives to just deliver new housing supply alone, but requires innovative solutions so that regional centres can continue to thrive.

One barrier in delivering solutions is the existing bias by local developers to rezone rural land for residential use. This scenario predominantly delivers developments disconnected from essential infrastructure on the fringe of regional town centres, dominated by large lot, three-and four-bedrooms dwellings. The development industry in these regional centres has little interest in delivery housing options outside their modus operandi. This means little if any new housing development will address the current unmet housing needs of older and younger residents who require 1- and 2-bedrooms homes close to essential services.

To ensure a better balance of dwelling mix, substantial incentives will be required to support the housing needs of both future and current regional populations. In response, Shelter NSW makes the following recommendations.

Shelter NSW Recommendations

Review the Low-Rise Housing Diversity Code to deliver more choice in Regional NSW

Shelter NSW feels that some of the housing products in the NSW Government's new 'Low Rise Housing Diversity Code' have the capacity to deliver extra housing choice and diversity in regional NSW. However, Shelter NSW is concerned that several of the 'Code' requirements disincentivise the provision of these different housing products in regional cities and towns.

From Shelter NSW's perspective, many of the development standards in the 'Code' don't respond to the characteristics of regional main streets or town centres which may have resulted from the 'Code' having a metro-centric focus. Standards in the 'Code' such as building height, maximum gross floor area, setback and landscaping requirements would make it hard to deliver many of these housing products in a regional main street setting. Furthermore, some standards would diminish the main street character of regional centres and be rejected by local communities.

One obvious example is the capacity of the 'Low Rise Housing Diversity Code' to deliver more choice via the Manor Houses provision which could potentially deliver smaller dwellings within a main street setting, catering to the needs of older and younger residents. However, the setback requirements in the 'Code' are determined based on the two nearest residential buildings, which diminishes any opportunity to deliver Manor Houses in a main street regional environment.

In response, Shelter NSW suggests that the Department of Planning, Industry and Environment (DPIE) undertake a modified version of the 'Low Rise Housing Diversity Code' focused on delivering more housing choice into regional NSW.

Objective 19: Deliver housing that is more diverse and affordable

Strategy 19.3 Assess the potential to renew social housing sites to deliver an increase in social housing stock and greater vibrancy in local communities.

Data from the Department of Communities and Justice on the 30 June 2019 states that there were 51,014 applicants on the NSW public housing waiting list (Note: this could mean over 100, 000,00 people in housing need). This data also confirms that waiting list timeframe to receive any housing support is from 5 to 10 years depending on the location and bedroom type required. It's clear from this situation that there is a high demand by NSW residents to access secure and affordable homes.

The Covid-19 pandemic has also highlighted the inequality between essential workers and growth in insecure employment. It has seen an increasing need for people to access affordable housing options and this is likely to continue over the coming years. In response to these matters, Shelter NSW would like Regional Plans to consider ways to actively support the delivery of affordable housing options.

Regarding Strategy 19.3 to support the renewal of social housing sites, Shelter NSW's work in this space has highlighted a number of concerns connected with current 'Communities Plus' models and their ability to deliver on the key strategies outlined in the NSW Government's 'Future Directions for Social Housing (2016)'.

The current 'Communities Plus' model is founded on delivering social and economic benefits through the redeveloping of existing public housing assets that create mixed income developments. However, Shelter NSW has observed that the desirability of socio-economic diversity in public housing estates' renewal has not addressed issues of social mix and that the public housing components of the sites are kept completely separately from the private housing, which often has the best access to open space, sunlight and views.

The model's ability to deliver social or economic benefits is disputed in a paper by Darcy and Rogers (2020) [1], pointing out that the premise of the 'Communities Plus' model was based on research that included a high percentage of owner-occupied dwellings in neighborhoods that included public housing areas. The research was also founded on large neighbourhoods, not on site-specific renewal processes where the majority of private dwellings are occupied by private renters. Currently, 'Communities Plus' projects are undertaken and evaluated on a site-by-site basis. As a result, you can have many projects across one LGA with no over-arching strategic planning framework.

In this situation, tenants can be dislocated from their homes and community only to be moved on again a few years later due to another redevelopment initiative. This creates a lot of uncertainty and can lead to a deeply distressing experience for tenants.

A better strategic approach would be to provide more certainty for tenants about their future, including firmer timelines for their relocation and return. Tenants should also be provided information on the proposed design, especially in terms of bedroom options. Often the public housing component of these redevelopment projects sees the loss of 2, 3 and 4-bedroom dwellings which are replaced with studio and 1-bedroom units, while the private sector component has more dwelling choice.

[1] <https://theconversation.com/public-housing-renewal-likely-to-drive-shift-to-private-renters-not-owners-in-sydney-133352>

It should be noted that in addition to the lost public investment, a significant percentage of public housing dwellings, bedroom mix and land are also gifted away as part of this redevelopment project. Therefore, any financial benefit associated with delivering new public housing units doesn't take into account the lost public investment or the the amount of dwelling types and bedroom mix being lost.

To ensure that redevelopment decisions are not just based on the economic benefits to the developer, we would encourage a clear assessment to ensure that any new public units reflect the needs of residents on the Department of Housing waitlist for each region.

Darcy and Rogers (2020) also argue that the 30/70 mix has been too narrowly defined in the 'Communities Plus' model and that it seriously undervalues the loss of large public housing infrastructure which is gifted in perpetuity to the developer.

Shelter NSW Recommendations

Shelter NSW feels that a better way to deal with 'Communities Plus' is for DPIE to work with LAHC ('The Developer') and DCJ ('The Landlord') to develop a strategic approach for deliverables, as opposed to a site-by-site method. Querying the premise of the standard 30/70 'Communities Plus' split and its ability to deliver clear social or economic benefits, Shelter NSW recommends that LAHC ('The Developer') and DCJ ('The Landlord') revisit the 'Communities Plus' model so at the very least they deliver a richer social mix such as a 50/50 split with a ratio of 50% private, 30% social and 20% affordable.

Since tenants can be dislocated from their homes and communities, only to be moved on again, Shelter NSW would like to see the implementation of a tenancy transfer process that is more consultative. Shelter NSW suggests that this consultation be based on the Compact for Renewal template ([A Compact for Renewal: What tenants want from Renewal | Tenants' Union](#)).

Shelter NSW also recommends that LAHC ('The Developer') and DCJ ('The Landlord') ensure that the dwelling and bedroom mix in the public housing component of any 'Communities Plus' project address the existing public housing waiting list requirements for the area.

Lastly, Shelter NSW recommends that LAHC ('The Developer') and DCJ ('The Landlord') evaluate the overall social and economic impacts from a public asset perspective.

Objective 8: Strengthen the economic self-determination of Aboriginal communities
Strategy 8.2 Continue to offer the preparation of a strategic assessment of the landholdings of Local Aboriginal Land Councils.
Strategy 8.4 Provide opportunities for the region’s LALCs to interact with and utilise the NSW planning system and the planning pathways available to achieve development aspirations.

Shelter NSW supports the strategic commitment in the regional plan to work with the Local Aboriginal Land the Council on the development of a strategic plan for their landholders which aims to support the delivery of additional housing opportunities based on the Aboriginal Land Framework (introduced by the NSW Planning System in 2019).

Thank you

Shelter NSW appreciates the opportunity to the Draft Illawarra Shoalhaven Regional Plan 2041 (November 2020). We hope that the comments and insights we have provided bring some value to Council’s strategic planning work in the housing policy space.

We are also happy to engage with the Council on the issues raised in our submission. If you wish to discuss our submission in more detail, please contact Stacey Miers on 0410 633 272 or by email at stacey@shelternsw.org.au.

Sincerely Yours,

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