

## **LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES**

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Dear Sir / Madam

## **INQUIRY INTO LAND RELEASE AND HOUSING SUPPLY IN NEW SOUTH WALES**

Newcastle City Council (NCC) is pleased to have the opportunity to provide comment on the Parliamentary Inquiry into land release and housing supply in NSW. NCC provides the following comments in relation to the terms of reference:

**a) *The Resources and Support needed within the Department of Planning and Environment for:***

**i. *The Delivery of a Housing Supply Process***

The Newcastle Local Government Area is experiencing significant growth and change. Over the last two decades, the City has undergone a major transformation with the decline of heavy industry and growth in knowledge industries, including health, higher education, research centres, defence industries and professional and technical industries.

Despite having sufficient residential zoned land to cater for the projected population growth, NCC is under pressure to rezone employment land located close to the city for residential and bulky goods retail purposes. To reduce this pressure and support an evidence based housing supply process, it is important that the Department be provided with sufficient resources to:

- Understand the needs of key employment industries within each region to ensure suitable land is available in the right locations across the region to support and grow these industries, whilst ensuring housing is appropriately located to allow easy access to employment lands.
- Monitor housing supply, and to identify and resolve issues causing delays in the delivery of housing in both greenfield and brownfield areas.

**ii. *The Coordination and Funding of Enabling Infrastructure***

Land release and housing supply are complex issues requiring government, utility providers and private sectors to develop and share common goals to facilitate housing supply.

Newcastle is currently undergoing major revitalisation with the construction of a city centre light rail link and a vision to expand the network through the greater Newcastle Metropolitan area. Our experience of working with State Government transport planners over the light rail link has not been easy, with local input and needs too often ignored. A broader view and planning perspective would have assisted this project and enhanced local acceptability.

Coordinating infrastructure projects needs new approaches and new levels of cooperation across all levels of Government to ensure both short term and long term goals are reached. NCC supports the Department of Planning and Environment being provided with the resources and capacity to act as project managers to coordinate and manage regional infrastructure projects.

The Department has previously consulted with Hunter Councils and other stakeholders on the Hunter Region Special Infrastructure Contribution Plan. This Plan will be a key tool in delivering many of the aims and actions of the Hunter Regional Strategy, including enabling infrastructure to support the delivery of housing. NCC supports the continued development and implementation of this Plan, to provide a funding source for enabling infrastructure.

New models of funding infrastructure, such as a value capture, also need to be considered in order to deliver infrastructure in areas undergoing renewal.

**b) *Delivery Mechanisms following the Rezoning of Land through to Construction***

Within the Newcastle Local Government Area, there is sufficient supply of land zoned for residential development, however, large parts of the undeveloped areas on the urban fringe are constrained by steep slopes and mine subsidence issues. In most cases, private developers seek to undertake significant earthworks to provide flat sites suited to slab on ground brick and tile construction. The complexity of these earthworks can add significant delays to the development assessment process, and the time taken to release the land to the market.

To reduce delays associated with earthworks and construction times, the State Government should educate and incentivise speculative home builders to make use of new building products and construction methods, to enable homes to be constructed in a way that reflects existing site topography, and does not require extensive earthworks to facilitate slab on ground, brick and tile construction.

**c) *The Complementary Roles of State Authorities, Local Councils and Utilities***

Effective planning and coordination of the various types of infrastructure provided by state authorities, local councils and utility providers is a key issue in the funding and provision of land and housing. As previously discussed, new approaches and new levels of cooperation across all levels of government and utility providers are needed to ensure the provision of infrastructure does not cause delays in the supply of housing.

NCC works cooperatively with local service providers to help plan infrastructure. NCC meets with Hunter Water annually to identify new areas of development and assist in planning for water and sewer requirements.

The primary role of local government in the housing supply process is to ensure local planning controls facilitate housing in appropriate locations. NCC has identified areas suitable for residential growth through the Local Planning Strategy. This strategy identifies 'Residential Growth Precincts' which incorporate a range of residential density standards to assist in planning for residential growth across the Newcastle local government area.



Specific renewal corridors have also been identified for higher density development. NCC supports a diverse housing supply by allowing a variety of dwelling types within each residential zone.

**d) *The Different Characteristics of Greater Sydney and Non-Metropolitan NSW***

There are a number of differences between Greater Sydney and non-metropolitan NSW; however, this is not clearly recognised within State Environmental Planning Policies or the standard instrument local environmental plan.

Community and social infrastructure in regional areas, lacks parity with urban areas and this presents a challenge for growing regional communities. Quality social infrastructure is needed both to attract and retain residents and to boost economic growth opportunities for regional areas.

In regional areas, the development of new greenfield land for housing can be problematic due to environmental constraints such as mine subsidence, flooding; bush fire and biodiversity impacts.

Whilst new greenfield subdivisions can provide a good quality of life, they are increasingly expensive to service and move around, and are often not serviced by public transport. This can limit opportunities for employment, education and access to services. With demographic trends continuing to show household size falling and an ageing population, more compact housing styles, in more compact cities, will produce more sustainable housing forms, reduce resource consumption, improve access and mobility and improve liveability.

**e) *Other Related Matters***

**i *Affordable Living***

Affordable living is a holistic approach to achieving lifestyle and housing affordability. NCC recognises that housing that has good access to transport, jobs and services, and dwellings that are properly designed to minimise ongoing living costs associated with building maintenance, heating and cooling, improve economic growth, liveability and community wellbeing. NCC has developed a draft Affordable Living Plan (copy attached) which aims to ensure the hidden costs associated with inappropriately located or designed housing are not overlooked. Any housing supply process needs to take affordable living into account, rather than focusing only on the purchase cost of new housing.

**ii. *New Urban Agenda***

The Australian Government committed to the New Urban Agenda (NUA) and the Sustainable Development Goals (SDGs) created by the United Nations in October 2016. This international framework creates the opportunity for all levels of government to share common goals and work together.

The NUA, presented at the Habitat 3 conference in October 2016, strongly emphasised the crucial role cities will play in achieving sustainable development for future generations, with the majority of the world's population now living in urban areas and cities key generators of employment and wealth.

Affordable housing is a key issue in the NUA and specific SDGs have been included to ensure housing policies are based on the principles of social inclusion, economic effectiveness and environmental protection. It is crucial that a housing supply process takes into account the SDGs.



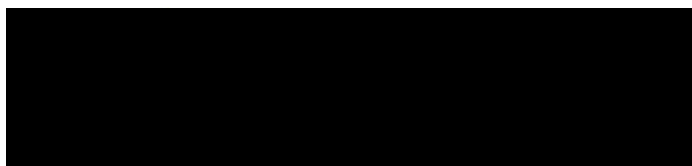
### ***iii. Affordable Housing***

The urban revitalisation program in Newcastle has resulted in sharp growth in the city centre residential population with development applications at record levels. The flip side to this development boom is the increasing cost to buy or rent within the Newcastle Local Government Area. The cost to buy or rent in Newcastle has grown much faster than incomes over the same period. Family and Community Services have also identified the Newcastle Local Government Area as having a moderate to high need for affordable housing. However, the current standard instrument Local Environmental Plan and State Environmental Planning Policies limit the ability of Council to increase the stock of affordable rental housing.

Changes to the standard instrument Local Environmental Plan or State Environmental Planning Policy No. 70 - Affordable Housing should be made as a priority to enable all Councils that have an identified need for affordable housing to incorporate affordable housing in new developments.

Once again, thank you for the opportunity to comment on this very important matter to Newcastle. We look forward to your report.

Yours faithfully



**Jeremy Bath**  
**INTERIM CHIEF EXECUTIVE OFFICER**

# Newcastle City Council **Draft Affordable Living Plan**

August 2017







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## About this plan

Newcastle City Council's Affordable Living Plan identifies the current and projected housing needs of the Newcastle community and builds upon the strategic directions for residential lands identified in the Newcastle City Council Local Planning Strategy (2015). It also looks at other factors that Council can influence which affect the cost of living, as housing is only one aspect of affordable living.

The Plan identifies steps that Council can take in working towards the shared Newcastle 2030 community vision:

*"In 2030 Newcastle will be a Smart, Liveable and Sustainable City. We will celebrate our unique city and protect our natural assets. We will build resilience in the face of the future challenges and encourage innovation and creativity. As an inclusive community, we will embrace new residents and foster a culture of care.*

*We will be a leading lifestyle city with vibrant public places, connected transport networks and a distinctive built environment. And as we make our way toward 2030, we will achieve all this within a framework of open and collaborative leadership."*

### What is affordable living?

Affordable living is a holistic approach to achieving life style and housing affordability. Affordable living is about more than just the cost of housing. It brings to account a range of factors, including the size, type and cost of housing we choose, our access to jobs and services, how we move around and the resources we use (Council of Mayors (SEQ), 2011).

### What is affordable housing?

The Department of Family and Community Services (2016) define affordable housing as housing that is appropriate to the needs of a household and within their means to pay for it. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income.

### Affordable housing or affordable living?

Many factors influence housing affordability including the type of housing, construction costs, climate, land and infrastructure costs, approval processes and the overall supply and demand for housing. Housing influences other non-shelter outcomes including access to transport, jobs, education and services, family stability and health (Yates, 2007). All of these factors play a role in the affordability of living. By focusing on affordable living the hidden costs associated with inappropriately located or designed housing are not overlooked.

Newcastle City Council recognises that access to secure, appropriate and affordable housing is not only a basic requirement for all people, it is an essential component of an inclusive, dynamic and sustainable city. This plan focusses on actions that Newcastle City Council can implement to facilitate affordable living opportunities for our community.





Figure 1: Elements that can influence affordable living

## Context

### Habitat III and the New Urban Agenda

Habitat III, the third United Nations conference on housing and sustainable development was held in Quito, Ecuador in 2016, where world leaders, including Australia, adopted a New Urban Agenda. The new Urban Agenda sets a new global standard for sustainable urban development, and provides a roadmap for building cities that can serve as engines of prosperity and centres of cultural and social well-being while protecting the environment (United Nations, 2016). National governments and local authorities will be responsible for implementing the Agenda, with technical and financial partnerships and assistance from the international community.

The key commitments in the United Nations (UN) New Urban Agenda are:

- Provide basic services for all citizens
- Ensure that all citizens have access to equal opportunities and face no discrimination
- Promote measures to support cleaner cities
- Strengthen resilience in cities to reduce the risk and impact of disasters
- Take action to address climate change by reducing their greenhouse gas emissions
- Fully respect the rights of refugees, migrants and internally displaced persons regardless of their migration status.
- Improve connectivity and support innovative and green initiatives
- Promote safe, accessible and green public spaces.

This Affordable Living Plan supports the goals of the New Urban Agenda.



## **Federal Actions**

### *National Affordable Housing Agreement*

The Commonwealth Government is working with the States and Territories to reform the National Affordable Housing Agreement (NAHA) and provide ongoing, indexed funding for a new National Housing and Homelessness Agreement (NHHA) from 2018-19, to improve the supply of new housing and improve housing and homelessness outcomes for all Australians across the housing spectrum.

The NHHA will combine funding currently provisioned under the National Affordable Housing Specific Purpose Payment (NAHSPP) and the National Partnership Agreement on Homelessness (NPAH) and will provide around \$1.5 billion per annum to state and territory governments from 2018-19.

Under the NHHA, funding to State and Territory governments will target jurisdiction specific priorities including supply targets, planning and zoning reforms and renewal of public housing stock while also supporting the delivery of frontline homelessness services.

The current NAHA aims to ensure that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation.

The NAHA is an agreement by the Council of Australian Governments that commenced on 1 January 2009, initiating a whole-of-government approach in tackling the problem of housing affordability.

The NAHA is supported by the National Partnership Agreements on:

- social housing
- homelessness
- Indigenous Australians living in remote areas

### *National Rental Affordability Scheme (NRAS)*

NRAS was developed to address the shortage of affordable rental housing by offering financial incentives to persons or entities to build and rent dwellings to low and moderate income households at below-market rates for 10 years. It aimed to:

- increase the supply of new affordable rental housing
- reduce rental costs for low to moderate income households
- encourage large-scale investment and innovative management of affordable housing.

As announced in the 2014-15 Budget, there are no further funding rounds or new allocations of NRAS incentives beyond those currently allocated in the Scheme and held by approved participants.

This means the only dwellings eligible for NRAS incentives are those that have been, or are currently being, built by approved participants and applicants in the Scheme.

## **State Legislation**

The *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulation 2000* regulate the planning and development assessment functions of Council. Providing and maintaining affordable housing is one of the objectives of the Act.

The NSW State Government has also implemented a number of State Environmental Planning Policies to increase the supply and diversity of affordable housing across the state. These include:

- *State Environmental Planning Policy (Affordable Rental Housing) 2009*. This Policy includes incentives to encourage the retention of existing affordable rental housing and deliver new affordable rental housing. Some of the incentives include by expanded zoning permissibility, floor space ratio bonuses and non-discretionary development standards. This Policy provides opportunities for the development of in-fill affordable housing, secondary dwellings (granny flats) and boarding houses.
- *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004*. The aim of this Policy is to increase the supply and diversity of housing that meets the needs of seniors or people with a disability. The Policy sets aside local planning controls that may prevent the development of housing for seniors or people living with a disability. The Policy provides development standards for residential care facilities, hostels and self-contained dwellings.
- *State Environmental Planning Policy No. 36 - Manufactured Home Estates*. The aim of this Policy is to facilitate the establishment of manufactured home estates as a contemporary form of medium density residential development and to encourage the provision of affordable housing. The Policy ensures that manufactured home estates are permissible wherever a caravan park is permissible. It also sets out matters that a Council must consider when determining a development application for a manufactured home estate.

## **Hunter Regional Plan**

The Hunter Regional Plan 2036 is the NSW governments plan to guide land use planning priorities and decisions over the next 20 years. The plan provides a framework to guide more detailed land use plans, development proposals and infrastructure funding decisions. The plan includes overarching directions, goals and actions as well as specific priorities for each local government area in the Hunter region. The Hunter Regional Plan 2036 includes four goals for the Hunter Region:

**Goal 1:** The leading regional economy in Australia

**Goal 2:** A biodiversity-rich natural environment

**Goal 3:** Thriving communities

**Goal 4:** Greater housing choice and jobs

Specific directions and actions identify a range of initiatives needed to meet each goal. The concept of affordable living also aligns with the goals for the Hunter Region.

## **Newcastle 2030 Community Strategic Plan**

The concept of affordable living aligns with the community vision of a smart, liveable and sustainable city identified in the Newcastle 2030 Community Strategic Plan. This vision has been developed with the guiding principles of ecologically sustainable development, social justice and local democracy. The seven strategic directions detailed in Newcastle 2030 are:



- **Connected City** - Transport networks and services will be well connected and convenient. Walking cycling and public transport will be viable options for the majority of our trips.
- **Protected and Enhanced Environment** - Our unique environment will be understood, maintained and protected.
- **Vibrant and Activated Public Places** - A city of great public places and neighbourhoods promoting people's health, happiness and wellbeing.
- **Caring and Inclusive Community** - A thriving community where diversity is embraced, everyone is valued and has the opportunity to contribute and belong.
- **Liveable and Distinct Environment** - An attractive city that is built around people and reflects our sense of identity.
- **Smart and Innovative City** - A leader in innovations with a healthy, diverse and resilient economy.
- **Open and Collaborative Leadership** - A strong local democracy with an actively engaged community and effective partnerships.

This Affordable Living Plan details the opportunities for Council to facilitate affordable living within the Newcastle local government area and complements actions identified in other Council strategies and plans to make Newcastle a smart liveable and sustainable city. These Strategies and Plans include:

- Local Planning Strategy (2015)
- Social Strategy (2015)
- Cultural Strategy (2015)
- Economic Development Strategy (2015)
- Disability Inclusion Action Plan (2015)
- Newcastle Transport Strategy (2014)
- Parkland and Recreation Strategy (2014)
- Newcastle Cycling Strategy and Action Plan (2012)
- Newcastle 2020 Carbon and Water Management Action Plan

## **Newcastle Local Planning Strategy and Newcastle Urbanism**

The concept of affordable living aligns with the principles of 'Newcastle Urbanism' and the specific principles, directions and neighbourhood visions for residential lands described in the Local Planning Strategy (2015). The Local Planning Strategy can be viewed on the Newcastle City Council website [www.newcastle.nsw.gov.au](http://www.newcastle.nsw.gov.au)

'New Urbanism' is an urban design movement which promotes walkable neighbourhoods that contain a range of housing and job types. It is strongly influenced by urban design standards that were prominent until the rise of the car and embodies principles such as traditional neighbourhood design based upon a framework of centres and transit-orientated development. These principles have been adapted to be locally relevant and termed "Newcastle Urbanism".

Newcastle Urbanism has been embodied in the strategic directions for residential lands identified in the Local Planning Strategy. These are:

1. Ensure sufficient housing capacity for our future population.
2. Ensure sufficient housing diversity to meet community needs.



3. Encourage adaptable housing that can meet the needs of residents throughout the life cycle to enable people to 'age-in-place' supporting more sustainable housing growth in our city.
4. Facilitate affordable living.
5. Concentrate housing growth around transport and centres, where appropriate services and amenities exist.
6. Streets are the primary public spaces for access and exchange between people, and should be made safe, friendly, attractive and efficient.
7. Ensure permitted land uses are consistent with the zone directions.
8. Development will enhance the City's identity through:
  - consideration of the neighbourhood visions and objectives
  - compatible built form, landscaping and activation of public spaces.

Increasing the density of housing in existing urban areas can reduce housing costs because of savings in infrastructure costs, reduced lot sizes and greater choice in dwelling types. Smaller, well designed, low-rise medium density homes are desirable because they:

- are less expensive to build;
- do not need major site amalgamation
- perform better environmentally than most high-rise housing
- can deliver a greater mix of more affordable housing types
- fit into existing streets and neighbourhoods
- suit a wide range of demographic groups

(Department of Planning and Infrastructure, 2011)

Housing located close to work and play also has other benefits. It can reduce living costs associated with transport and also improve health outcomes and social interaction as people spend less time commuting to and from work, are able to walk to services and shops and have greater opportunities to participate in community activities.

## **Local Environmental Plan**

The Newcastle Local Environmental Plan 2012 details what development may be undertaken in different locations within the local government area. Encouraging a diversity of housing types in suitable locations is one of the aims of the Newcastle Local Environmental Plan.

## Community

**Note:** Where 2016 census data has been released, relevant population statistics have been updated to reflect the current information. Where census information has not yet been released, reference is made to the 2011 census data. This information will be updated before the plan is finalised.

### Who are we?

The wider Newcastle local government area is the largest regional centre in NSW and the second largest non-capital urban centre in Australia. Newcastle is the service and administrative centre for the Hunter Region.

In 2016 the Newcastle local government area had a population of 162,766 people in an area of 187 square kilometres. This is an increase of 4.6% from 2011. In 2014, the NSW government released population projections which forecast a population growth rate for the Newcastle local government area of around 1% each year. By 2031, the population of Newcastle is predicted to be around 190,000 with an increase of around 16,000 households (Planning & Infrastructure, 2014). The growth in single and couple only households is likely to continue, with a predicted need for around 17,300 new dwellings over this time.

In 2011, Aboriginal and Torres Strait Islander people made up 2.6% of the population with a median age of 23 years.

Council's adopted Multicultural Plan 2016 - 2019, identifies that multicultural diversity is increasing. The 2016 census identifies that 13.9% of residents were born overseas, of which 9.2% are from non-English speaking backgrounds. The number of residents born overseas has increased 1.5% from 2011.

Newcastle also has an ageing population. In 2016, the number of people aged over 65 years was 24,721, which is an increase of 583 from 2011. By 2036 the number of people aged over 65 is estimated to be 32,955.

5.9% of the population of the Newcastle local government area reported needing help in their day-to-day lives due to disability, compared to 5.4% in the rest of NSW.

### What do we do?

In 2011, the top three occupations of the resident population in the Newcastle local government area were:

- Professionals (25.7%)
- Clerical and administrative workers (14.1%)
- Technicians and trades workers (13.7%)

In comparison, NSW employed 22.7% in professionals, 15.1% in clerical and administrative workers and 13.2% in Technicians and Trades workers.

In 2011, the median weekly income in the Newcastle local government area was \$907 compared to the Sydney median income of \$1444 and \$1233 for other parts of NSW. Residents in the Birmingham Gardens - Callaghan locality had the lowest median income of \$621 while residents in Merewether Heights had the highest median income of \$1214. Figure 2 shows the percentage of income groups in Newcastle compared to Sydney and



NSW. Box 1: Housing Stress and Income explains the relationship between income levels and housing affordability.

As of June 2014 the unemployment rate in Newcastle was 8.5% compared to 5.6% for NSW.

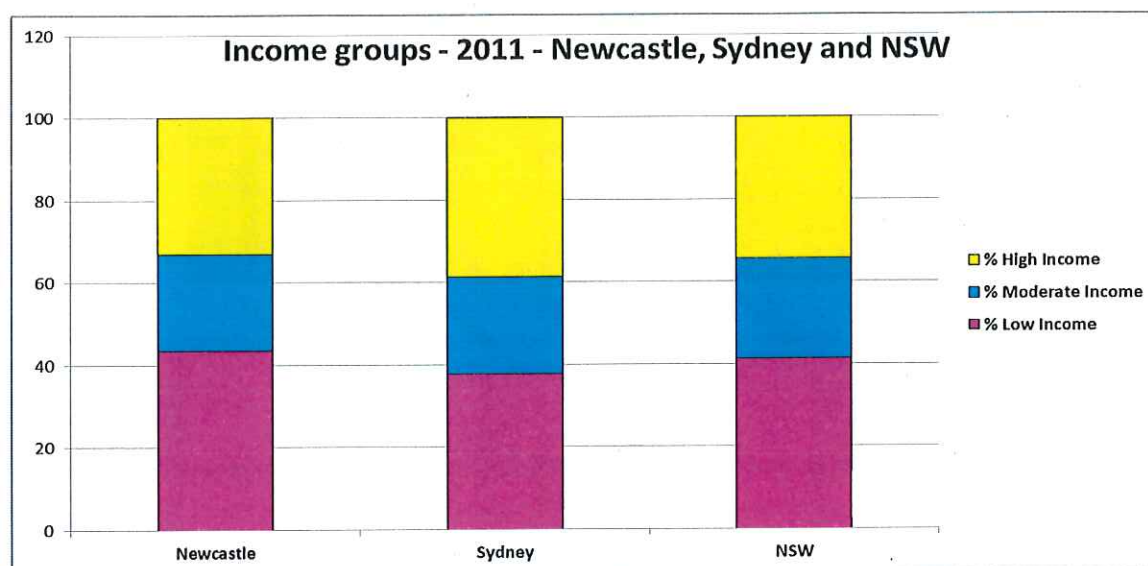


Figure 2: Income Groups - 2011 - Newcastle, Sydney and NSW (Source: Family and Community Services)

## How do we live?

In 2016, within the Newcastle local government area 27.9% of people rent their home in the private rental market and 6.3% are in social housing (.ID, 2016). As of March 2017, median rents in the Newcastle local government area were \$230 for a 1 bedroom dwelling; \$380 for a 2 bedroom dwelling and \$440 for a 3 bedroom dwelling (Family and Community Services, 2017).

Newcastle local government has been identified as having a moderate to high need for affordable housing (Family & Community Services, 2015). At the 2011 census, 91% of very low income and 59% of low income households that rent homes were experiencing housing stress (ABS, 2011). Box 1 provides details on housing stress and income descriptions. High levels of housing stress may be contributing to the significant rise in homelessness seen in Newcastle from 7.3 persons per 10 000 in 2006 to 31.3 persons per 10, 000 in 2011 (ABS, 2011).

Three bedroom dwellings were the most common housing type in the Newcastle local government area (43.5% of all homes). Between 2006 and 2011 five bedroom homes were the fastest growing dwelling type, with an increase of 28% (ABS, 2011). However, between 2011 and 2016 medium density housing was the fastest growing dwelling type, increasing by 11% (.ID, 2016) The Newcastle local government area has a relatively large percentage of studio, one and two bedroom dwellings (23.1% compared to an average of 14.6% in the rest of NSW), although there is a mismatch between household type and dwelling size, as lone person and couple households comprise 52% of all households (.ID, 2016) Figure 3 shows the relationship between household type and bedroom mix in the Hunter Region.



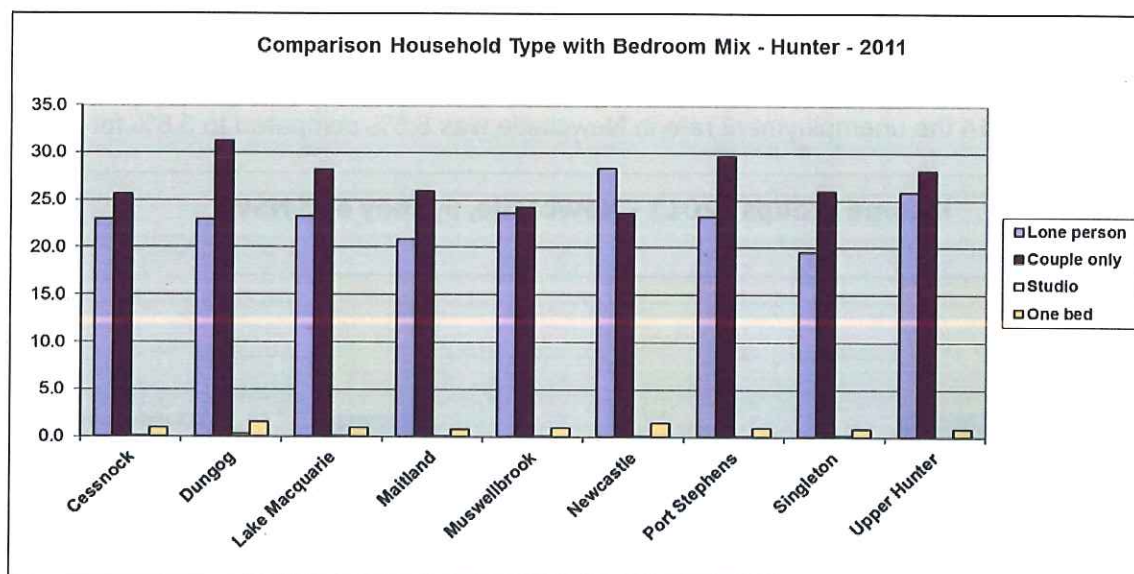


Figure 3: Household Type with Bedroom Mix - Hunter 2011 (Source: Family and Community Services)

In 2011, 38% of Newcastle local government area households had access to one motor vehicle and another 41% had access to two or more motor vehicles. Residents of the Newcastle local government area primarily travel to work using private motor vehicles, with 80% as a driver and 7% as a passenger. The average work trip duration is 23 minutes and the average non-work trip duration is 15 minutes (Transport for NSW - Bureau for Transport Statistics, 2014).

#### Box 1: Housing stress and income

Housing stress is widely used as a standard for assessing housing affordability problems. Housing stress is defined as "the group of households who have gross incomes below 120% of the median household income and who are paying more than 30% of their household income to meet their housing costs".

A very low income is described as those people earning less than 50% of the NSW or Sydney median income. People earning the minimum wage, those who are on an aged or disability pension or other government benefit and workers in areas such as retail or manufacturing, generally have a very low income.

People earning between 50% and 80% of the NSW or Sydney median income are described as earning a low income. Generally jobs such as a child care worker, secretary or cleaner fall into this income category.

A moderate income is described as those people earning between 80 - 120 % of the NSW or Sydney median income. Generally jobs such as teaching, policing or nursing, particularly people in earlier stages of their careers, fall into this income category.

People working in many of the jobs that have low to moderate incomes are described as key workers as they provide essential services to the community.

## **What does Council currently do to promote affordable living?**

All levels of government have a role to play in promoting affordable living outcomes. Commonwealth taxation policies, commonwealth and state housing assistance programs, state and local land use and transportation planning processes and infrastructure programs all have a role in facilitating affordable living. The private sector, as the major provider of housing in Australia, also has a significant role.

Social housing is rental housing provided by government, non-government or not-for-profit organisations, to assist people who are unable to access suitable accommodation in the private rental market. In NSW, the Department of Family and Community Services partners with the community, industry and individuals to provide social housing for those most in need, such as those on very low incomes and people with special needs. Compass Housing is a non-government, not-for-profit housing provider operating in NSW and Queensland including the Newcastle region. Compass Housing provides secure and affordable housing, as well as delivering housing products for disadvantaged people, who have difficulties sourcing adequate and affordable housing.

Low to moderate income households are often caught in the middle between social and above average market housing, and left without housing provision or housing support. Although Newcastle City Council does not have a legislative obligation in the provision of social housing, we can play a role in supporting low to moderate income households by facilitating and advocating opportunities for affordable living.

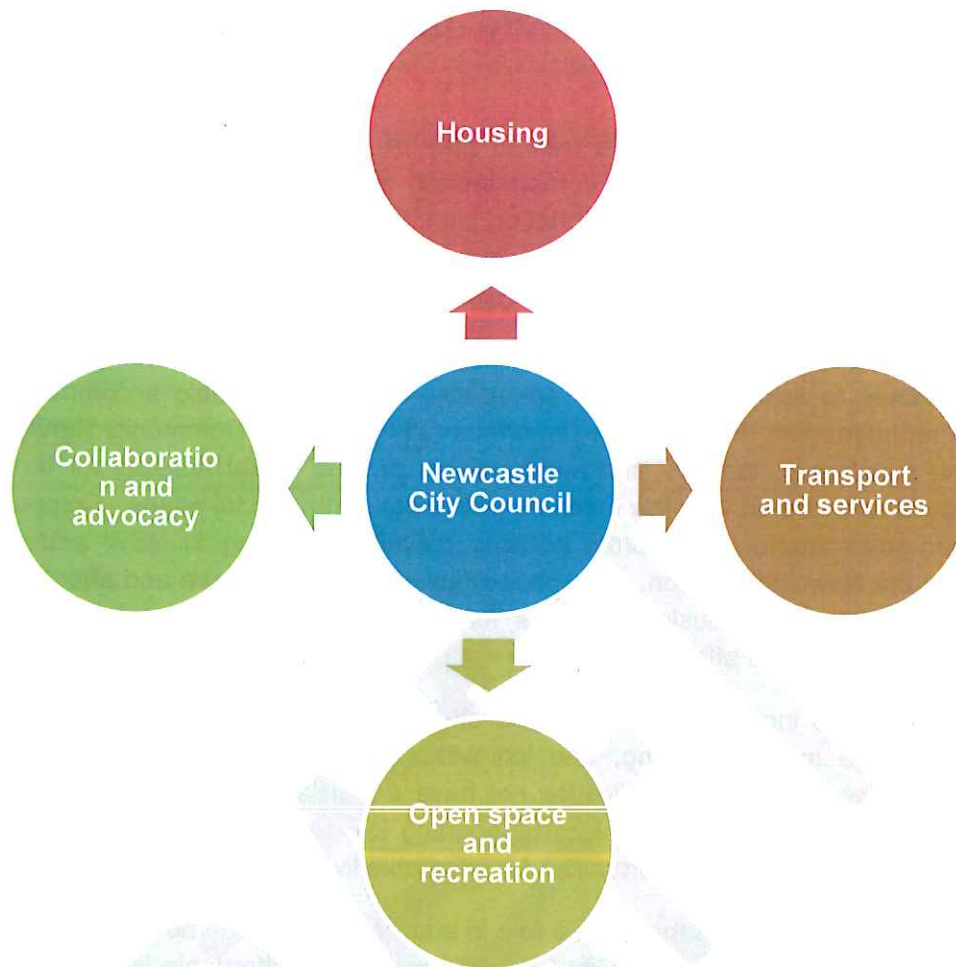
The large variety of factors that play a role in affordable living can be broadly grouped into 4 themes under which Newcastle City Council can support affordable living. These themes are:

### **A. Housing**

The Newcastle Local Environmental Plan 2012 is the main planning tool used to guide development across the Newcastle local government area. The Newcastle Local Environmental Plan 2012 supports a diversity of dwelling forms by allowing all types of residential buildings, in different residential land use zones. Floor space ratios and building heights guide the density of development within each zone. In the Newcastle local government area, residential lands are zoned:

- R2 Low Density Residential - this zone provides for a diversity of small scale housing forms, such as houses, dual occupancies and townhouses, which respect the character, heritage and amenity of the surrounding development.
- R3 Medium Density Residential - this zone provides for a diversity of medium scale housing types, such as townhouses and residential flat buildings, where larger numbers of people can be accommodated and provide support to commercial centres.
- R4 High Density Residential - this zone provides for large scale housing types such as residential flat buildings in areas that are within walkable distances of commercial centres and within transport corridors.





**Figure 4: Newcastle City Council and affordable living**

The Newcastle Local Planning Strategy identifies 'Residential Growth Precincts ' which incorporate a range of residential density standards to assist in planning for residential growth across the Newcastle local government area. The identified Residential Growth Precincts, including urban release areas, provide sufficient capacity to accommodate the predicted housing needs over the next 15 years and include:

- **Renewal corridors** - these include areas based on high transport accessibility and are focused upon (and between) the major local commercial centres of Islington, Mayfield, Hamilton, Broadmeadow and Adamstown. The renewal corridors provide for the highest residential density of development outside of the Newcastle city centre.
- **Substantial Growth Precinct** - this precinct covers the areas which are within a SAFE 10 minute walk of major local centres and some railway stations. This provides for the greatest density of development (outside the renewal corridors) to facilitate and support the major local centres and Newcastle Urbanism.
- **Moderate Growth Precinct** - this precinct covers areas within a SAFE 5 minute walk of minor local centres or neighbourhood centres. This precinct forms a transition between the substantial and limited precincts.

- Limited Growth Precinct - this precinct covers the remaining residential zoned land outside of the substantial and moderate precincts. Development in this precinct is intended to be limited as it does not satisfy the principles of Newcastle Urbanism.

## **B. Transport and services**

Land use planning decisions influence both development and transport outcomes. Newcastle City Council has identified five corridors that provide important links between centres and support centres as well as being centres in themselves. The five corridors are: Islington, Mayfield, Hamilton, Broadmeadow and Adamstown. These corridors have been identified as having opportunities for economic and / or housing renewal and intensification as they have good access to existing services, retail and public transport. Planning controls have been included in the Local Environmental Plan and the Development Control Plan to support the renewal and growth of these corridors through increased density.

Newcastle City Council has also prepared a Transport Strategy (2014) and a Cycling Strategy and Action Plan (2013) which aim to improve access to public and active transport options throughout the Newcastle local government area. Many of the actions proposed in these strategies will also support affordable living.

Although Newcastle City Council does not have a direct role in the provision of public transport (other than the provision of bus shelters) we do have an advocacy role to other levels of government, for improvements in transport and funding to meet transport costs. Council has published *Connecting Newcastle*, its vision for public transport across Newcastle and the Hunter to show how enhanced connectivity, including an expanded light rail network, and integration of all transport modes will improve liveability. This adopted vision will guide Council in its discussions with other levels of government for improvements in transport provision and funding.

## **C. Open space and recreation**

Access to quality public open space is an important consideration in supporting affordable living. These areas not only contribute to the character and biodiversity of the city, but the health and lifestyle of the community. Parkland and recreation areas have been found to improve the wellbeing of individuals and communities as quality open space provides opportunities for physical exercise, food production and social interaction.

Newcastle City Council has prepared a Parkland and Recreation Strategy (2014) which identifies strategic directions and actions to ensure parkland, sport and recreation meet the needs of the community. Many of the actions in this strategy will also support affordable living in the Newcastle local government area, for example, supporting the equitable development of facilities.

## **D. Education, collaboration and advocacy**

Newcastle City Council's Housing Management and Development Committee (BBC Committee) oversees the implementation of the BBC Demonstration Housing Program. The BBC Committee has successfully funded two major innovative housing projects for Newcastle to the value of \$2.6M including the This Way Home Project in partnership with Housing NSW in Mayfield. The Committee is currently focused on exploring affordable housing opportunities.



Newcastle City Council is a member of the Urban Development Institute of Australia (UDIA) and the Property Council of Australia and this provides ongoing opportunities for education and collaboration in relation to affordable living issues.

## **Key challenges for affordable living in Newcastle**

### **1. Supply of quality affordable housing**

In 2014, the NSW government released population projections which forecast a population growth rate for the Newcastle local government area of around 1% each year (Planning & Infrastructure, 2014). By 2036, the population of Newcastle is predicted to be around 198,350 with an increase of around 33,500 people (Department of Planning & Environment, 2016). The growth in single and couple only households is likely to continue, with a predicted need for around 16,800 new dwellings over this time (Department of Planning & Environment, 2016).

Very low and low income households are more vulnerable to housing stress and rising living costs. In the Newcastle local government area a significant number of very low, low and moderate income households have been identified as experiencing rental stress - 91%, 59% and 23% respectively, and the increasing rate of homelessness (ABS, 2011). Home purchasing stress is also relatively high in Newcastle with 65% of very low income households, 59% of low income households and 30% of moderate income households experiencing home purchase stress (ABS, 2011). The high rates of rental and purchasing stress identify a high demand for and significant need to increase the supply of private rental and provision of targeted affordable housing in Newcastle.

Although it is sometimes challenging to design boarding houses compatible with the character of the local area, boarding houses provide an alternative form of low cost rental housing for a wide range of tenants and are sometimes used as student housing. A boarding house generally contains individual bedrooms and some shared facilities such as kitchen, bathroom and common areas. There are currently (August 2016) 65 boarding houses registered in the Newcastle local government area (Fair Trading, 2016). Boarding houses can be found throughout the area, although a large number are clustered around the Mayfield / Tighes Hill area. This clustering is likely due to the proximity to the University of Newcastle and Hunter TAFE.

Caravan parks can provide housing to people that may not be able to afford anything else, or need flexibility, or cannot access the private rental market for other reasons. Newcastle has a single caravan park offering permanent accommodation. This caravan park is located at Tarro, and while it provides affordable accommodation, other factors such as distance to services and transport increase costs (such as petrol, vehicle maintenance and time in travelling) and are not favourable to affordable living.

### **Box 2: Case Study; Manufactured Home Estate, Newcastle**

A manufactured home estate containing 100 sites located near the Newcastle CBD.

The estate was approved under *State Environmental Planning Policy 36 - Manufactured Home Estates*, although it specifically caters to over 55's. The estate contains a range of 2 and 3 bedroom manufactured homes that incorporate energy design features such as LED lighting, gas hot water and passive cooling systems. The homes also incorporate universal design features to facilitate access and adaptability.

The cost to purchase a home\* is comparable to the median price of other similar sized units / villas in the locality, although the estate provides features that facilitate more affordable living than existing buildings by providing energy efficient, low maintenance and adaptable homes close to commercial areas, the city centre and a range of services.

*\*Note: In Manufactured Home Estates, the house only is purchased by occupiers and the land is leased.*

## **2. A diverse housing supply**

The size of households in general follows the life-cycle of families. Households are usually small at the stage of relationship formation, and then increase in size with the arrival of children. They later reduce in size again as these children reach adulthood and leave home and partners pass-away. There are a variety of reasons for people to move into or out of a suburb, however, the unavailability of appropriate housing should not require people to move elsewhere. A diversity of housing types may encourage older people to down size within the community and for young families to stay in the area (ID, 2016).

A diversity of bedrooms contributes to housing choice which may create more affordable options. The Newcastle local government area does not have a good match of bedroom mix to household type and the fit between household type and bedroom number is worsening over time (Family and Community Services, 2016). Like much of Australia, single person and couple households will continue to be the dominant household configuration in the Newcastle local government area; however the housing stock is built for families (3+ bedrooms) and has not adapted to change (see: How do we live?). Between 2001 and 2011, the Newcastle local government area had a significant increase in four and five bedroom dwellings and losses in other bedroom categories. The growth in four bedroom properties and the lack of growth or loss in others means there is a very poor fit of household type to housing available (Family and Community Services, 2016).

The mismatch between bedroom numbers and household size may result from limited housing choice, but may also be attributed to household expectations. As households pass through the different life cycle stages, particularly child rearing and the period after children leave home, their utilisation of housing changes. While having spare bedrooms indicates a capacity to accommodate more people in reasonable comfort, it does not necessarily mean that dwellings are not being fully utilised. Households may put these 'spare' rooms to various uses (e.g. study, office, gymnasium, craft or hobby room, children's play room, guest bedroom or store room) (ABS, 2012).



It will be a challenge to provide a mix of housing types and sizes across any local government area so that a range of housing can be provided to fit the various household types. Urban fringe areas often have little diversity in housing types and sizes (e.g. predominantly detached dwellings with 4 or more bedrooms). For example, in the Fletcher-Minmi locality, the predominant form of housing is 4 - 5 bedroom detached dwellings and in 2011, 75.4% of all houses in this locality had 4 or more bedrooms (.ID, 2016). In contrast, in the Newcastle, Newcastle East and Newcastle West locality, the predominant form of housing is high density dwellings with 0 - 2 bedrooms. In 2011, 56.1% of dwellings in this locality had 0 - 2 bedrooms (.ID, 2016).

The ageing population also has implications for housing diversity in Newcastle. Existing homes may not be suitable for aging in place because the home may not be easily adaptable or may be too large and difficult to maintain. Newcastle City Council does not currently have any design controls for new dwellings to incorporate adaptable design features to facilitate ageing in place or to accommodate people living with disabilities.

*State Environmental Policy (Housing for Seniors or People with a Disability)* sets aside some local planning controls to encourage development of housing suitable for seniors and people with a disability. Between 2012 and 2016, Newcastle Council has granted consent to 19 developments under the Policy. The developments include a mix of residential care facilities and self-contained dwellings.

### **3. Equitable access to transport and services**

Access to jobs and services is strongly influenced by access to transport. A lack of affordable housing near well serviced centres can put pressure on key workers to seek more affordable housing further away from their job and services. More affordable areas are generally located on the urban fringe and often do not have good access to public transport or other services. As a result, households in more affordable areas without a car can be disadvantaged. The cost of car ownership and transport from outer suburbs to work can also negate the savings associated with cheaper housing on the fringe.

In 2011, Fletcher – Minmi had the highest proportion of households with two or more vehicles, while Jesmond had the highest proportion of households without a motor vehicle. Improving transport links and access to services in existing affordable areas may help to reduce the spatial distribution of disadvantage.

The ageing population also has implications for equitable access to transport and services. Common conditions that are part of the ageing process can have a major impact on the ability of a person to safely control a car. These include a loss of hearing and vision, decreased perception and memory, or reduced strength, flexibility and movement (Transport for NSW, 2015). As a result many people start to change their driving habits, or are required to give up driving, and become more reliant on public transport. Increasing transport choice through access to public transport, bicycle and pedestrian networks will also be important in ensuring equitable access to transport and services.

### **4. Neighbourhoods that support health and wellbeing**

Housing on the urban fringe is largely detached housing and may provide less opportunity to incorporate physical activity into daily activities. Limited public transport and long commutes reduce opportunities for walking and cycling and result in high reliance on private vehicles. Various studies have shown that long commutes are linked to poor health outcomes. It has

also been reported internationally that every 10 minutes spent commuting reduces all forms of social capital by 10% (Putnam, 2001).

Some people choose to live in new houses on the urban fringe and the provision of a range of quality open spaces and pathways throughout the area can support health and wellbeing. The Newcastle Development Control Plan 2012 contains specific development principles to ensure new subdivisions on the urban fringe address the principles of walkability, connectivity, permeability, legibility and safety in the design of the access and open space network.

It is also important to provide opportunities for affordable housing close to jobs and services, to reduce commute times and increase opportunities for physical and social activities for people who would prefer not to live on the urban fringe.

## **Opportunities for affordable living in Newcastle**

Direction 3 of the Hunter Regional Plan 2036 is to 'Revitalise the Newcastle City Centre' and details a specific action for Newcastle Council to *"Develop local housing strategies for student and visitor accommodation and social and affordable housing"*. Council's existing Local Planning Strategy contains strategic directions for residential lands that include actions related to housing diversity and affordability. This Affordable Living Plan expands on these actions by detailing further opportunities to support housing diversity and affordability. Actions discussed in this part of the Plan specifically consider student and visitor accommodation and social and affordable housing.

Based on the identified key challenges and the four themes under which Newcastle City Council can support affordable living, it is recommended that the following opportunities are investigated to find the right mix of tools that will best support affordable living within Newcastle:

### **A. Housing**

#### **A1 Urban development program**

To enable sufficient capacity across the local government area, and ensure housing is appropriate to the needs of the community it is important to monitor the supply of housing being developed across the local government area. The Department of Planning and Environment is working with councils across the Hunter to develop an urban development monitoring program. Council has been providing the Department of Planning and Environment with data on existing zoned land and information on dwelling construction and take up rates. Newcastle City Council will continue to work with the Department of Planning and Environment to ensure the Department implements an effective urban development program.

#### **A2 Inclusionary zoning policy**

Inclusionary zoning refers to the requirement for a percentage of floor space to be made available as affordable housing, or payment of developer contributions when land is up-zoned to achieve greater residential densities, and sites in key locations (such as existing centres) are redeveloped for greater residential density. Generally, this housing would be transferred to a community housing provider for ongoing management.



Inclusionary zoning has been successfully used around the world to increase the stock of affordable housing in cities. Box 3 includes details of the successful inclusionary zoning program implemented by the City of Sydney in the redevelopment of the Ultimo / Pyrmont area. However, Newcastle City Council would not currently be able to replicate the system used by the City of Sydney due to legislative restrictions. State Environmental Planning Policy No. 70 - Affordable Housing (Revised Schemes) is the mechanism used by the City of Sydney to levy contributions for affordable housing. This State planning policy only enables a small number of councils in the Sydney metropolitan area to collect developer contributions through a condition of development consent for affordable housing purposes.

Despite this limitation, Newcastle City Council can still consider inclusionary zoning in voluntary planning agreements. This approach relies on private developers voluntarily offering affordable housing (or a contribution) to Council as part of a planning proposal or development application. The affordable housing units or contributions would then be transferred to a not-for-profit community housing manager. The Newcastle City Council Planning Agreements Policy 2014 includes affordable housing as a matter that Council can consider in the negotiation of a voluntary planning agreement. A Council Policy on inclusionary zoning would show Council's interest in facilitating affordable housing, identify locations where affordable housing is needed, determine how contributions would be managed or distributed and allow a consistent approach to the consideration of voluntary planning proposals that include affordable housing elements.

### **Box 3: Case Study: City of Sydney Ultimo/Pyrmont**

As part of the long term strategy to redevelop the Ultimo/Pyrmont area, the Sydney Regional Environmental Plan No. 26 City West set out the planning principles for affordable housing that enabled contributions from the private sector towards affordable housing in the area.

The scheme is currently regulated through State Environmental Planning Policy No. 70 - Affordable Housing (revised schemes) and the Sydney Local Environmental Plan 2012.

Affordable housing may be provided in-kind or as a monetary contribution and contributions form a condition of development consent. The contribution is calculated on the basis of the total floor area that would otherwise be required to be dedicated for affordable housing. Current rates are calculated at:

- Residential uses: 0.8% of the total floor area
- Non-residential uses: 1.1% of the total floor area

The Ultimo/Pyrmont scheme aims to provide about 600 rental units for very low to moderate income households as development continues in the area over the next 15 to 20 years. To date more than 450 affordable rental housing units have been built under the scheme (City of Sydney, 2016)

The development and management of affordable housing units is managed by a not-for-profit, community based organisation, City West Housing.

### A3 LEP and DCP controls

The strategic directions for residential lands detailed in the Newcastle Local Planning Strategy identify broad principles to guide the review and development of the Local Environmental Plan and Development Control Plan to facilitate dwelling supply and diversity.

#### *Housing diversity*

The Local Environmental Plan and Development Control Plan can be used to support the retention of existing affordable housing and encourage diversity in the local housing supply. Some examples that have been used in other NSW councils that could be considered to support affordable living in the Newcastle local government area include:

- A specific aim within the Local Environmental Plan to encourage a mix of housing types, including affordable and adaptable housing. Examples include Randwick Local Environmental Plan 2012 and Byron Local Environmental Plan 2014.
- A development standard that requires a diverse mix of dwelling sizes in new multi-dwelling residential developments. For example, Leichardt Local Environmental Plan 2013 requires all residential flat buildings and mixed use development with 4 or more dwellings to have at least 25% of all dwellings as studio or 1 bedroom dwellings and not more than 30% of dwellings as 3 bedrooms.

The Local Environmental Plan and Development Control Plan also provide opportunities to plan for tourist and visitor accommodation and student housing as detailed in the Hunter Regional Plan 2036. Tourist and visitor accommodation is currently permitted in all residential, business and mixed uses in the Newcastle local government area. The SP3 Tourism zone can also be used to ensure specific sites are developed for tourism related uses. If necessary, specific design guidelines for tourist and visitor accommodation can be developed and included in the Development Control Plan.

#### *Housing affordability*

The Newcastle Local Planning Strategy includes a specific action to investigate an incentive clause in the Local Environmental Plan to facilitate affordable housing. An incentive clause would provide bonus development yield in return for part of the development being set aside for affordable housing. Further investigation, including economic feasibility is needed to determine the suitability of this mechanism. While incentive based measures can be effective in delivering community infrastructure and affordable housing if well-conceived and implemented, they can also result in increased landowner expectations and higher land prices and a scale of development that is not financially viable. It is important to have a good understanding of the cost implications, development tolerance, and the value of additional floorspace of any incentive based scheme.

The NSW government has developed a new package of measures to improve housing affordability across NSW. This package was released on 1 June 2017 and includes measures to assist first home buyers, increase housing supply and accelerate the delivery of infrastructure.

The principles of the Affordable Living Plan complement the actions of the NSW government and Council will work the Department of Planning and Environment to implement these planning measures.



### *Adaptable housing*

An incentive clause may also be considered for the provision of adaptable dwellings. For example, Great Lakes Local Environmental Plan provides a 10% floor space bonus where development in the R3 medium density zone has lift access to each level in the building, and the building is designed to be consistent with *Australian Standard 4299–1995, Adaptable housing*. However, a broader and more cost effective way of achieving a range of dwellings that are adaptable may be through guidelines in the development control plan.

The Liveable Housing Design Guidelines (Liveable Housing Australia, 2012) detail core design elements that can be incorporated into new dwellings to make homes easier and safer to use for all occupants, and easily adaptable in the future. By including the core liveable housing design elements in new dwellings, home occupants are provided with the opportunity to reduce or avoid the costs associated with retrofitting a home to improve access in the future, should it be required. The core elements can be incorporated into new dwellings without significantly increasing the building cost.

The core elements detailed in the Liveable Housing Design Guidelines could be incorporated into the Newcastle Development Control Plan 2012, to facilitate adaptable housing. The 7 core design elements in the basic (silver) level are:

1. A safe continuous and step-free path of travel from the street entrance and/or parking area to a dwelling entrance that is level.
2. At least one, level (step-free) entrance into the dwelling.
3. Internal doors and corridors that facilitate comfortable and unimpeded movement between spaces.
4. A toilet on the ground (or entry) level that provides easy access.
5. A bathroom that contains a hobless (step-free) shower recess.
6. Reinforced walls around the toilet, shower and bath to support the safe installation of grabrails at a later date.
7. A continuous handrail on one side of any stairway where there is a rise of more than 1 metre.

### *Intergenerational housing*

Intergenerational housing refers to housing that can accommodate different generations together. This can be achieved through a variety of means including secondary dwellings (granny flats) or house designs that can easily be altered and divided into two dwellings as the life-cycle of families evolves. This can make housing more affordable by providing opportunities for young families and older people to remain in their local area. Existing state policies and the Local Environmental Plan provide opportunities for secondary dwellings to be constructed in residential zones. The Development Control Plan can be used to support and encourage intergenerational housing models by ensuring controls support these forms of development.

## A4 Incentives

In addition to incentive clauses in the planning controls, there may be opportunities for Newcastle Council to offer other types of incentives to encourage the development of smaller low consumption dwellings. For example, to encourage the development of smaller, energy efficient homes, Newcastle City Council could consider reducing developer contributions for new dwellings that meet particular sustainable design standards in well serviced locations such as identified renewal corridors.

## B. Transport and services

### B1 LEP and DCP Provisions

Through its development control function, Council can influence the way people move around. At a broad level, the location of trip attractors such as schools, shops and employment, their density and mix, in relation to where people live, affects the length of day to day trips and how much the car is used to get around. The density of development and mix of uses are important elements in creating neighbourhoods that facilitate active transport such as walking and cycling.

The Local Environmental Plan and Development Control Plan can be used to support the goals and actions detailed in Council's Transport Strategy (2014) and Cycling Strategy and Action Plan (2012), which in turn support affordable living. In particular, the following actions from the Transport Strategy:

- **Strengthen development provisions to facilitate walking and riding** - *Council will review development controls and contributions plans to incorporate public pedestrian and cycle links where they can contribute to desirable connections and through routes, and to include provisions for design of new residential subdivisions at 40km/h local traffic areas.*
- **Review development controls for parking** - *In line with best practice management, consideration is to be given to stipulation of maximum parking rates of parking provision and facilitation of opportunities for sharing of spaces. Other matters to be addressed include the impacts of exempt and complying development controls, as they relate to car parking.*
- **Facilitate opportunities for establishment of car share schemes.** *Dedication of parking spaces for car sharing purposes; flexible development controls and developing a car share policy are examples of ways in which council can facilitate car sharing.*

These initiatives are also consistent with actions for Councils identified in the Hunter Regional Plan 2036 to achieve Direction 17: Create healthy built environments through good design. Action 17.3 is: *'Enhance the quality of neighbourhoods by integrating recreational walking and cycling networks into the design of new communities to encourage physical activity.'*

Car parking can add significant cost to the purchase and rental price of housing. Separating car parking spaces from individual units, can facilitate more affordable housing, particularly for people who choose not to own a car, as well as facilitating opportunities for sharing of spaces, provided these cost savings are passed on by developers. Consider whether bicycle parking rates and end of journey facilities are appropriate.



The Newcastle Development Control Plan currently contains requirements for 'end of trip facilities' to be provided in new developments with a construction value greater than \$250,000. To further support these requirements, a clause could be considered which allows end of trip facilities to be excluded from the calculated floor space. For example, Sydney City Local Environmental Plan 2012 provides a floor space bonus for commercial buildings located in central Sydney that have all of end of journey facilities (showers, change rooms, lockers and bicycle storage) together in one area of the building.

## **B2 Development contributions**

Section 94 of the Environmental Planning and Assessment Act allows Council to charge development contributions for public infrastructure necessary as a consequence of new development. Contributions are generally monetary payments but can also be made by the way of land dedications and works in kind in specific circumstances. Newcastle Council has Section 94A Development Contributions Plan which details the type, location and time-frame of works that will be undertaken with the development contributions that have been collected. The Section 94A Development Contributions Plan can be used to support affordable living. Council's Transport Strategy identifies opportunities to review and Section 94A Development Contributions Plan and support affordable living through transport initiatives:

- **Review Council's development contribution plans.** - *Review Council's development contributions plans to ensure the extent of transport works supports the desired development patterns and projections of the Local Planning Strategy.*
- **Review Council's development contribution plans to allow expenditure of contributions on a range of transport facilities** - *In conjunction with A2, review Council's development contributions plans to allow for expenditure of contributions on a range of transport facilities including sustainable transport measures, such as park and ride.*

## **C. Open space and recreation**

### **C1 LEP and DCP Provisions**

Newcastle City Council's Parkland and Recreation Strategy (2014) has been developed to guide the provision of parkland and recreation facilities for current and future communities. A key objective of the Strategy is to ensure equitable levels and standard of provision for recreation facilities across the local government area.

In addition to ensuring that a variety of parkland and recreational facilities are provided and distributed equitably across the Newcastle local government area, the Plan contains some specific actions that support affordable living. In particular:

- *Where Council chooses not to sell un-required parkland, undertake an expression of interest for the external management of undersized parkland by community groups for community gardens as a method to reduce Council's expenditure whilst encouraging Place Making initiatives.*
- *Implement and support the Community Gardens Toolkit.*

These initiatives are also consistent with actions for Councils identified in the Hunter Regional Plan 2036 to achieve Direction 17: Create healthy built environments through good design. Action 17.2 is 'Enhance access to fresh food by promoting initiatives that increase urban food production and access to produce from local farmers'.

Community gardens support affordable living through the sustainable production of fresh, healthy locally grown food as well as offering opportunities for social interaction and community participation. As well as utilising undersized parks for community gardens, there are opportunities to increase local food production through roof-top gardens in residential flat buildings and the use of street gardens to grow edible plants. The Local Environmental Plan and Development Control Plan can be used to support these goals.

## **D. Education, collaboration and advocacy**

### **D1 Education**

Newcastle Council has an existing role in community education across a broad range of topics and this can be broadened to support affordable living opportunities including:

- Continuing to educate, promote and support low consumption, sustainable lifestyles.
- Implementing a program to educate the community, building designers, developers and builders on the benefits of incorporating adaptable design elements in residential buildings by promoting innovative projects.

### **D2 Advocacy**

Newcastle City Council has an existing role in advocating other levels of government on behalf of the Newcastle community and this can be broadened to incorporate affordable living opportunities including:

- Changes to state environmental planning policies and the standard instrument local environmental plan to make it easier for Councils to implement affordable living initiatives, such as inclusionary zoning.
- Changes to the Building Code of Australia to incorporate standards for liveable housing.
- Continuing to advocate for public transport improvements.
- Supporting the Federal government in the development of affordable housing schemes such as bond aggregation, or rent to buy schemes.

#### **Box 4: Bond Aggregation and Rent to Buy Schemes**

Bond aggregation schemes are designed to aggregate and source large amounts of capital from the bond market so as to provide lower interest, long-term loans to not-for-profit community housing providers (CHPs) developing housing for lower income households. The intention is that money would be raised efficiently with reduced financing costs rather than in expensive one-off transactions such as when borrowing from a bank.

The benefits of a bond aggregator scheme are that it is relatively simple and transparent; minimises the impact of debt on government budgets; draws on the successful experience and expertise of other countries; provides lower cost finance to community housing providers and therefore is likely to maximise the sustainable expansion of affordable housing stock.

Rent to buy schemes can be used to assist people to enter the housing market. The United Kingdom currently operates a rent to buy scheme which is designed to ease the transition from renting to buying a home. The scheme is managed by housing associations. Newly built homes are provided to eligible people for rent at approximately 20% below the market rate for up to five years. During that period the occupier has the option to buy the property or to buy part of the property.



### **D3 Collaboration**

Newcastle City Council currently works with other levels of government, not for profit sector and other industry groups to support opportunities for affordable living and this should be continued. In particular:

- Continue to provide support to community organisations to improve their ability to plan and deliver appropriate and accessible services to the community.
- Continue to support community housing providers and state government housing providers to plan and deliver affordable housing.
- Collaborate with Newcastle University / TAFE for the provision of appropriate student accommodation and undertaking research into local housing affordability issues.
- Continue to work through the BBC Committee, to explore affordable housing opportunities as part of the City Centre Renewal Program.
- Continued membership of the Urban Development Institute of Australia and the Property Council of Australia.

## Actions for affordable living

This section summarises the opportunities identified in the previous section of this plan 'Opportunities for affordable living in Newcastle and recommends time-frames for investigation of the specific actions. The recommended timeframes are:

- Short term - within 2 year
- Medium term - within 5 years
- Long term - greater than 5 years
- Ongoing - actions to be applied as relevant issues and opportunities arise.

A. Opportunities for housing		
	Focus Area	Timeframe
A1	Urban Development Program	Short
A2	Inclusionary zoning	Short
A3	LEP and DCP provisions	Medium

Strategy	Timeframe
Work with the Department of Planning and Environment, to effectively monitor the delivery of housing and achieve dwelling targets as contained in the Hunter Regional Plan, i.e. 6,000 new dwellings for city centre and 16,800 dwellings across the Local Government Area to 2036.	Short
Investigate the development of a policy for inclusionary zoning which can be used in connection with voluntary planning agreements to facilitate the supply of affordable housing when land is being zoned for increased residential development.  Engage with the Department of Planning and Environment to make relevant amendments to State Environmental Planning Policies to permit Newcastle to amend its LEP to allow inclusionary zoning.	Short
Investigate amendments to the Newcastle Local Environmental Plan 2012 and Newcastle Development Control Plan 2012, in line with State Planning Policies, to: <ul style="list-style-type: none"> <li>• include a specific aim within the LEP to encourage affordable and adaptable housing including a mix of housing types.</li> <li>• include a floor space and / or height bonus in the LEP to encourage the inclusion of a percentage of affordable dwellings in new developments.</li> <li>• include a local provision in the LEP and/or additional controls in the DCP to encourage a</li> </ul>	Medium



	diverse mix of dwelling sizes in new multi-dwelling residential developments, and to encourage new and different types of houses such as dual key apartments and adaptable homes.	
	<ul style="list-style-type: none"> <li>• update the DCP provisions for social impact assessments, to ensure the impact of losing existing affordable housing stock is understood and mitigated.</li> <li>• investigate whether there is a need to identify specific sites for the SP3 Tourist Zone and / or provide supporting design guidelines in the DCP</li> <li>• ensure development controls support and encourage intergenerational housing models.</li> </ul>	
<b>A4</b>	Incentives Investigate incentives to encourage the development of smaller low consumption dwellings. For example, reduce developer contributions for new dwellings that meet particular sustainable design standards in well serviced locations such as identified renewal corridors.	Medium

B. Opportunities for transport and services		
Focus Area	Strategy	Timeframe
<b>B1</b> LEP and DCP provisions	Ensure the provisions in the LEP and DCP support the goals and actions detailed in Council's Transport Strategy and Cycling Strategy and Action Plan.	Short and ongoing
<b>B2</b> LEP and DCP provisions	<p>Monitor and analyse:</p> <ul style="list-style-type: none"> <li>• development provisions to facilitate walking and riding;</li> <li>• development controls for parking;</li> <li>• opportunities for establishment of car share schemes.</li> <li>• bicycle parking rates and end of journey facilities are appropriate.</li> <li>• the inclusion of an LEP provision to support the existing DCP requirements for the provision of end of trip facilities by excluding end of trip facilities from the floor space calculation in commercial developments.</li> </ul>	Medium

<b>B3</b>	Development contributions	Review Council's development contribution plans to: <ul style="list-style-type: none"> <li>ensure the extent of transport works supports the desired development patterns and projections of the Local Planning Strategy.</li> <li>allow for expenditure of contributions on a range of transport facilities including sustainable transport measures, if and when endorsed by Council.</li> </ul>	Medium
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C. Opportunities for open space and recreation			
	Focus Area	Strategy	Timeframe
<b>C1</b>	LEP and DCP provisions	<p>Ensure the provisions in the LEP and DCP support the strategic directions and actions detailed in Council's Parkland Recreation Strategy. In particular:</p> <ul style="list-style-type: none"> <li>Consider the inclusion of guidelines that encourage and promote sustainable food initiatives and access to fresh food locally such as rooftop edible gardens; community food gardens and use of street gardens to grow edible plants.</li> </ul>	Medium

D. Opportunities for education, collaboration and advocacy			
	Focus Area	Strategy	Timeframe
<b>D1</b>	Education	<ul style="list-style-type: none"> <li>Work with relevant industry groups such as the Architects Institute of Australia and the Building Designers Association to implement a program to educate the community, building designers, developers and builders on the benefits of incorporating adaptable design elements in residential buildings.</li> </ul>	Ongoing
<b>D2</b>	Advocacy	<ul style="list-style-type: none"> <li>Support and advocate for the Federal government in the development of affordable housing schemes such as bond aggregation, or rent to buy schemes.</li> <li>Advocate to Federal and State governments for a minimum 10% affordable housing to be</li> </ul>	Ongoing



	provided in appropriate scaled residential and mixed use developments.	
	<ul style="list-style-type: none"> <li>• Advocate for changes to State Environmental Planning Policies and the standard instrument local environmental plan to make it easier for Councils to implement affordable living initiatives, such as inclusionary zoning.</li> <li>• Advocate for changes to the Building Code of Australia to incorporate standards for liveable housing.</li> <li>• Continue to advocate for public transport improvements.</li> </ul>	
<b>D3</b>	<b>Collaboration</b>	<b>Ongoing</b>
	<ul style="list-style-type: none"> <li>• Continue to provide support to community organisations to improve their ability to plan and deliver appropriate and accessible services to the community.</li> <li>• Continue to support community housing providers and state government housing providers to plan and deliver affordable housing.</li> <li>• Collaborate with Newcastle University / TAFE for the provision of appropriate student accommodation and undertaking research into local housing affordability issues.</li> <li>• Continue to work through the BBC Committee, to explore affordable housing opportunities as part of the City Centre Renewal Program.</li> <li>• Continued membership of the Urban Development Institute of Australia and the Property Council of Australia.</li> </ul>	

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# Newcastle City Council **Draft Affordable Living Plan**

August 2017







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## About this plan

Newcastle City Council's Affordable Living Plan identifies the current and projected housing needs of the Newcastle community and builds upon the strategic directions for residential lands identified in the Newcastle City Council Local Planning Strategy (2015). It also looks at other factors that Council can influence which affect the cost of living, as housing is only one aspect of affordable living.

The Plan identifies steps that Council can take in working towards the shared Newcastle 2030 community vision:

*"In 2030 Newcastle will be a Smart, Liveable and Sustainable City. We will celebrate our unique city and protect our natural assets. We will build resilience in the face of the future challenges and encourage innovation and creativity. As an inclusive community, we will embrace new residents and foster a culture of care.*

*We will be a leading lifestyle city with vibrant public places, connected transport networks and a distinctive built environment. And as we make our way toward 2030, we will achieve all this within a framework of open and collaborative leadership."*

### What is affordable living?

Affordable living is a holistic approach to achieving life style and housing affordability. Affordable living is about more than just the cost of housing. It brings to account a range of factors, including the size, type and cost of housing we choose, our access to jobs and services, how we move around and the resources we use (Council of Mayors (SEQ), 2011).

### What is affordable housing?

The Department of Family and Community Services (2016) define affordable housing as housing that is appropriate to the needs of a household and within their means to pay for it. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income.

### Affordable housing or affordable living?

Many factors influence housing affordability including the type of housing, construction costs, climate, land and infrastructure costs, approval processes and the overall supply and demand for housing. Housing influences other non-shelter outcomes including access to transport, jobs, education and services, family stability and health (Yates, 2007). All of these factors play a role in the affordability of living. By focusing on affordable living the hidden costs associated with inappropriately located or designed housing are not overlooked.

Newcastle City Council recognises that access to secure, appropriate and affordable housing is not only a basic requirement for all people, it is an essential component of an inclusive, dynamic and sustainable city. This plan focusses on actions that Newcastle City Council can implement to facilitate affordable living opportunities for our community.



Figure 1: Elements that can influence affordable living

## Context

### Habitat III and the New Urban Agenda

Habitat III, the third United Nations conference on housing and sustainable development was held in Quito, Ecuador in 2016, where world leaders, including Australia, adopted a New Urban Agenda. The new Urban Agenda sets a new global standard for sustainable urban development, and provides a roadmap for building cities that can serve as engines of prosperity and centres of cultural and social well-being while protecting the environment (United Nations, 2016). National governments and local authorities will be responsible for implementing the Agenda, with technical and financial partnerships and assistance from the international community.

The key commitments in the United Nations (UN) New Urban Agenda are:

- Provide basic services for all citizens
- Ensure that all citizens have access to equal opportunities and face no discrimination
- Promote measures to support cleaner cities
- Strengthen resilience in cities to reduce the risk and impact of disasters
- Take action to address climate change by reducing their greenhouse gas emissions
- Fully respect the rights of refugees, migrants and internally displaced persons regardless of their migration status.
- Improve connectivity and support innovative and green initiatives
- Promote safe, accessible and green public spaces.

This Affordable Living Plan supports the goals of the New Urban Agenda.



## **Federal Actions**

### *National Affordable Housing Agreement*

The Commonwealth Government is working with the States and Territories to reform the National Affordable Housing Agreement (NAHA) and provide ongoing, indexed funding for a new National Housing and Homelessness Agreement (NHHA) from 2018-19, to improve the supply of new housing and improve housing and homelessness outcomes for all Australians across the housing spectrum.

The NHHA will combine funding currently provisioned under the National Affordable Housing Specific Purpose Payment (NAHSPP) and the National Partnership Agreement on Homelessness (NPAH) and will provide around \$1.5 billion per annum to state and territory governments from 2018-19.

Under the NHHA, funding to State and Territory governments will target jurisdiction specific priorities including supply targets, planning and zoning reforms and renewal of public housing stock while also supporting the delivery of frontline homelessness services.

The current NAHA aims to ensure that all Australians have access to affordable, safe and sustainable housing that contributes to social and economic participation.

The NAHA is an agreement by the Council of Australian Governments that commenced on 1 January 2009, initiating a whole-of-government approach in tackling the problem of housing affordability.

The NAHA is supported by the National Partnership Agreements on:

- social housing
- homelessness
- Indigenous Australians living in remote areas

### *National Rental Affordability Scheme (NRAS)*

NRAS was developed to address the shortage of affordable rental housing by offering financial incentives to persons or entities to build and rent dwellings to low and moderate income households at below-market rates for 10 years. It aimed to:

- increase the supply of new affordable rental housing
- reduce rental costs for low to moderate income households
- encourage large-scale investment and innovative management of affordable housing.

As announced in the 2014-15 Budget, there are no further funding rounds or new allocations of NRAS incentives beyond those currently allocated in the Scheme and held by approved participants.

This means the only dwellings eligible for NRAS incentives are those that have been, or are currently being, built by approved participants and applicants in the Scheme.

## **State Legislation**

The *Environmental Planning and Assessment Act 1979* and the *Environmental Planning and Assessment Regulation 2000* regulate the planning and development assessment functions of Council. Providing and maintaining affordable housing is one of the objectives of the Act.

The NSW State Government has also implemented a number of State Environmental Planning Policies to increase the supply and diversity of affordable housing across the state. These include:

- *State Environmental Planning Policy (Affordable Rental Housing) 2009*. This Policy includes incentives to encourage the retention of existing affordable rental housing and deliver new affordable rental housing. Some of the incentives include by expanded zoning permissibility, floor space ratio bonuses and non-discretionary development standards. This Policy provides opportunities for the development of in-fill affordable housing, secondary dwellings (granny flats) and boarding houses.
- *State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004*. The aim of this Policy is to increase the supply and diversity of housing that meets the needs of seniors or people with a disability. The Policy sets aside local planning controls that may prevent the development of housing for seniors or people living with a disability. The Policy provides development standards for residential care facilities, hostels and self-contained dwellings.
- *State Environmental Planning Policy No. 36 - Manufactured Home Estates*. The aim of this Policy is to facilitate the establishment of manufactured home estates as a contemporary form of medium density residential development and to encourage the provision of affordable housing. The Policy ensures that manufactured home estates are permissible wherever a caravan park is permissible. It also sets out matters that a Council must consider when determining a development application for a manufactured home estate.

## **Hunter Regional Plan**

The Hunter Regional Plan 2036 is the NSW governments plan to guide land use planning priorities and decisions over the next 20 years. The plan provides a framework to guide more detailed land use plans, development proposals and infrastructure funding decisions. The plan includes overarching directions, goals and actions as well as specific priorities for each local government area in the Hunter region. The Hunter Regional Plan 2036 includes four goals for the Hunter Region:

**Goal 1:** The leading regional economy in Australia

**Goal 2:** A biodiversity-rich natural environment

**Goal 3:** Thriving communities

**Goal 4:** Greater housing choice and jobs

Specific directions and actions identify a range of initiatives needed to meet each goal. The concept of affordable living also aligns with the goals for the Hunter Region.

## **Newcastle 2030 Community Strategic Plan**

The concept of affordable living aligns with the community vision of a smart, liveable and sustainable city identified in the Newcastle 2030 Community Strategic Plan. This vision has been developed with the guiding principles of ecologically sustainable development, social justice and local democracy. The seven strategic directions detailed in Newcastle 2030 are:



- **Connected City** - Transport networks and services will be well connected and convenient. Walking cycling and public transport will be viable options for the majority of our trips.
- **Protected and Enhanced Environment** - Our unique environment will be understood, maintained and protected.
- **Vibrant and Activated Public Places** - A city of great public places and neighbourhoods promoting people's health, happiness and wellbeing.
- **Caring and Inclusive Community** - A thriving community where diversity is embraced, everyone is valued and has the opportunity to contribute and belong.
- **Liveable and Distinct Environment** - An attractive city that is built around people and reflects our sense of identity.
- **Smart and Innovative City** - A leader in innovations with a healthy, diverse and resilient economy.
- **Open and Collaborative Leadership** - A strong local democracy with an actively engaged community and effective partnerships.

This Affordable Living Plan details the opportunities for Council to facilitate affordable living within the Newcastle local government area and complements actions identified in other Council strategies and plans to make Newcastle a smart liveable and sustainable city. These Strategies and Plans include:

- Local Planning Strategy (2015)
- Social Strategy (2015)
- Cultural Strategy (2015)
- Economic Development Strategy (2015)
- Disability Inclusion Action Plan (2015)
- Newcastle Transport Strategy (2014)
- Parkland and Recreation Strategy (2014)
- Newcastle Cycling Strategy and Action Plan (2012)
- Newcastle 2020 Carbon and Water Management Action Plan

## **Newcastle Local Planning Strategy and Newcastle Urbanism**

The concept of affordable living aligns with the principles of 'Newcastle Urbanism' and the specific principles, directions and neighbourhood visions for residential lands described in the Local Planning Strategy (2015). The Local Planning Strategy can be viewed on the Newcastle City Council website [www.newcastle.nsw.gov.au](http://www.newcastle.nsw.gov.au)

'New Urbanism' is an urban design movement which promotes walkable neighbourhoods that contain a range of housing and job types. It is strongly influenced by urban design standards that were prominent until the rise of the car and embodies principles such as traditional neighbourhood design based upon a framework of centres and transit-orientated development. These principles have been adapted to be locally relevant and termed "Newcastle Urbanism".

Newcastle Urbanism has been embodied in the strategic directions for residential lands identified in the Local Planning Strategy. These are:

1. Ensure sufficient housing capacity for our future population.
2. Ensure sufficient housing diversity to meet community needs.

3. Encourage adaptable housing that can meet the needs of residents throughout the life cycle to enable people to 'age-in-place' supporting more sustainable housing growth in our city.
4. Facilitate affordable living.
5. Concentrate housing growth around transport and centres, where appropriate services and amenities exist.
6. Streets are the primary public spaces for access and exchange between people, and should be made safe, friendly, attractive and efficient.
7. Ensure permitted land uses are consistent with the zone directions.
8. Development will enhance the City's identity through:
  - consideration of the neighbourhood visions and objectives
  - compatible built form, landscaping and activation of public spaces.

Increasing the density of housing in existing urban areas can reduce housing costs because of savings in infrastructure costs, reduced lot sizes and greater choice in dwelling types. Smaller, well designed, low-rise medium density homes are desirable because they:

- are less expensive to build;
- do not need major site amalgamation
- perform better environmentally than most high-rise housing
- can deliver a greater mix of more affordable housing types
- fit into existing streets and neighbourhoods
- suit a wide range of demographic groups

(Department of Planning and Infrastructure, 2011)

Housing located close to work and play also has other benefits. It can reduce living costs associated with transport and also improve health outcomes and social interaction as people spend less time commuting to and from work, are able to walk to services and shops and have greater opportunities to participate in community activities.

## **Local Environmental Plan**

The Newcastle Local Environmental Plan 2012 details what development may be undertaken in different locations within the local government area. Encouraging a diversity of housing types in suitable locations is one of the aims of the Newcastle Local Environmental Plan.



# Community

Note: Where 2016 census data has been released, relevant population statistics have been updated to reflect the current information. Where census information has not yet been released, reference is made to the 2011 census data. This information will be updated before the plan is finalised.

## Who are we?

The wider Newcastle local government area is the largest regional centre in NSW and the second largest non-capital urban centre in Australia. Newcastle is the service and administrative centre for the Hunter Region.

In 2016 the Newcastle local government area had a population of 162,766 people in an area of 187 square kilometres. This is an increase of 4.6% from 2011. In 2014, the NSW government released population projections which forecast a population growth rate for the Newcastle local government area of around 1% each year. By 2031, the population of Newcastle is predicted to be around 190,000 with an increase of around 16,000 households (Planning & Infrastructure, 2014). The growth in single and couple only households is likely to continue, with a predicted need for around 17,300 new dwellings over this time.

In 2011, Aboriginal and Torres Strait Islander people made up 2.6% of the population with a median age of 23 years.

Council's adopted Multicultural Plan 2016 - 2019, identifies that multicultural diversity is increasing. The 2016 census identifies that 13.9% of residents were born overseas, of which 9.2% are from non-English speaking backgrounds. The number of residents born overseas has increased 1.5% from 2011.

Newcastle also has an ageing population. In 2016, the number of people aged over 65 years was 24,721, which is an increase of 583 from 2011. By 2036 the number of people aged over 65 is estimated to be 32,955.

5.9% of the population of the Newcastle local government area reported needing help in their day-to-day lives due to disability, compared to 5.4% in the rest of NSW.

## What do we do?

In 2011, the top three occupations of the resident population in the Newcastle local government area were:

- Professionals (25.7%)
- Clerical and administrative workers (14.1%)
- Technicians and trades workers (13.7%)

In comparison, NSW employed 22.7% in professionals, 15.1% in clerical and administrative workers and 13.2% in Technicians and Trades workers.

In 2011, the median weekly income in the Newcastle local government area was \$907 compared to the Sydney median income of \$1444 and \$1233 for other parts of NSW. Residents in the Birmingham Gardens - Callaghan locality had the lowest median income of \$621 while residents in Merewether Heights had the highest median income of \$1214. Figure 2 shows the percentage of income groups in Newcastle compared to Sydney and

NSW. Box 1: Housing Stress and Income explains the relationship between income levels and housing affordability.

As of June 2014 the unemployment rate in Newcastle was 8.5% compared to 5.6% for NSW.

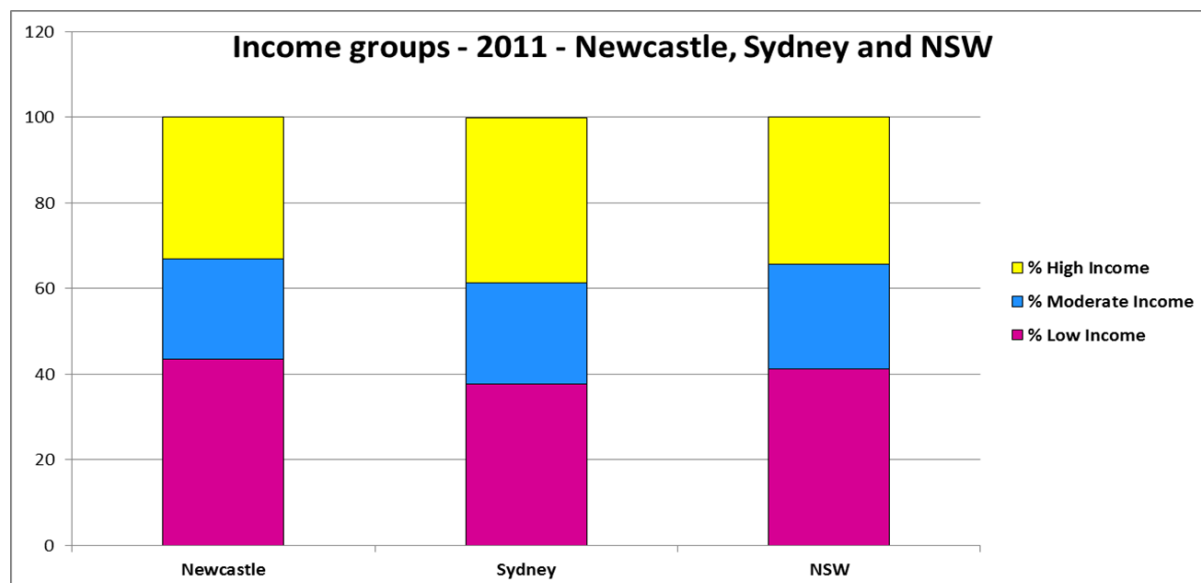


Figure 2: Income Groups - 2011 - Newcastle, Sydney and NSW (Source: Family and Community Services)

## How do we live?

In 2016, within the Newcastle local government area 27.9% of people rent their home in the private rental market and 6.3% are in social housing (.ID, 2016). As of March 2017, median rents in the Newcastle local government area were \$230 for a 1 bedroom dwelling; \$380 for a 2 bedroom dwelling and \$440 for a 3 bedroom dwelling (Family and Community Services, 2017).

Newcastle local government has been identified as having a moderate to high need for affordable housing (Family & Community Services, 2015). At the 2011 census, 91% of very low income and 59% of low income households that rent homes were experiencing housing stress (ABS, 2011). Box 1 provides details on housing stress and income descriptions. High levels of housing stress may be contributing to the significant rise in homelessness seen in Newcastle from 7.3 persons per 10 000 in 2006 to 31.3 persons per 10, 000 in 2011 (ABS, 2011).

Three bedroom dwellings were the most common housing type in the Newcastle local government area (43.5% of all homes). Between 2006 and 2011 five bedroom homes were the fastest growing dwelling type, with an increase of 28% (ABS, 2011). However, between 2011 and 2016 medium density housing was the fastest growing dwelling type, increasing by 11% (.ID, 2016) The Newcastle local government area has a relatively large percentage of studio, one and two bedroom dwellings (23.1% compared to an average of 14.6% in the rest of NSW), although there is a mismatch between household type and dwelling size, as lone person and couple households comprise 52% of all households (.ID, 2016) Figure 3 shows the relationship between household type and bedroom mix in the Hunter Region.

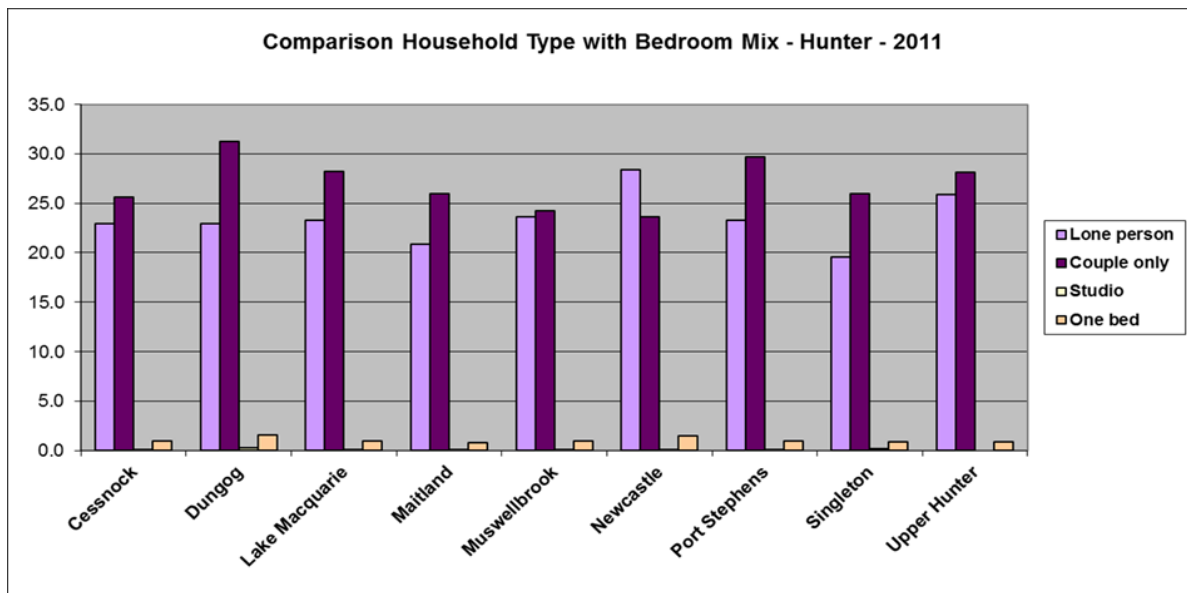


Figure 3: Household Type with Bedroom Mix - Hunter 2011 (Source: Family and Community Services)

In 2011, 38% of Newcastle local government area households had access to one motor vehicle and another 41% had access to two or more motor vehicles. Residents of the Newcastle local government area primarily travel to work using private motor vehicles, with 80% as a driver and 7% as a passenger. The average work trip duration is 23 minutes and the average non-work trip duration is 15 minutes (Transport for NSW - Bureau for Transport Statistics, 2014).

#### Box 1: Housing stress and income

Housing stress is widely used as a standard for assessing housing affordability problems. Housing stress is defined as "the group of households who have gross incomes below 120% of the median household income and who are paying more than 30% of their household income to meet their housing costs".

A very low income is described as those people earning less than 50% of the NSW or Sydney median income. People earning the minimum wage, those who are on an aged or disability pension or other government benefit and workers in areas such as retail or manufacturing, generally have a very low income.

People earning between 50% and 80% of the NSW or Sydney median income are described as earning a low income. Generally jobs such as a child care worker, secretary or cleaner fall into this income category.

A moderate income is described as those people earning between 80 - 120 % of the NSW or Sydney median income. Generally jobs such as teaching, policing or nursing, particularly people in earlier stages of their careers, fall into this income category.

People working in many of the jobs that have low to moderate incomes are described as key workers as they provide essential services to the community.



## What does Council currently do to promote affordable living?

All levels of government have a role to play in promoting affordable living outcomes. Commonwealth taxation policies, commonwealth and state housing assistance programs, state and local land use and transportation planning processes and infrastructure programs all have a role in facilitating affordable living. The private sector, as the major provider of housing in Australia, also has a significant role.

Social housing is rental housing provided by government, non-government or not-for-profit organisations, to assist people who are unable to access suitable accommodation in the private rental market. In NSW, the Department of Family and Community Services partners with the community, industry and individuals to provide social housing for those most in need, such as those on very low incomes and people with special needs. Compass Housing is a non-government, not-for-profit housing provider operating in NSW and Queensland including the Newcastle region. Compass Housing provides secure and affordable housing, as well as delivering housing products for disadvantaged people, who have difficulties sourcing adequate and affordable housing.

Low to moderate income households are often caught in the middle between social and above average market housing, and left without housing provision or housing support. Although Newcastle City Council does not have a legislative obligation in the provision of social housing, we can play a role in supporting low to moderate income households by facilitating and advocating opportunities for affordable living.

The large variety of factors that play a role in affordable living can be broadly grouped into 4 themes under which Newcastle City Council can support affordable living. These themes are:

### A. Housing

The Newcastle Local Environmental Plan 2012 is the main planning tool used to guide development across the Newcastle local government area. The Newcastle Local Environmental Plan 2012 supports a diversity of dwelling forms by allowing all types of residential buildings, in different residential land use zones. Floor space ratios and building heights guide the density of development within each zone. In the Newcastle local government area, residential lands are zoned:

- R2 Low Density Residential - this zone provides for a diversity of small scale housing forms, such as houses, dual occupancies and townhouses, which respect the character, heritage and amenity of the surrounding development.
- R3 Medium Density Residential - this zone provides for a diversity of medium scale housing types, such as townhouses and residential flat buildings, where larger numbers of people can be accommodated and provide support to commercial centres.
- R4 High Density Residential - this zone provides for large scale housing types such as residential flat buildings in areas that are within walkable distances of commercial centres and within transport corridors.

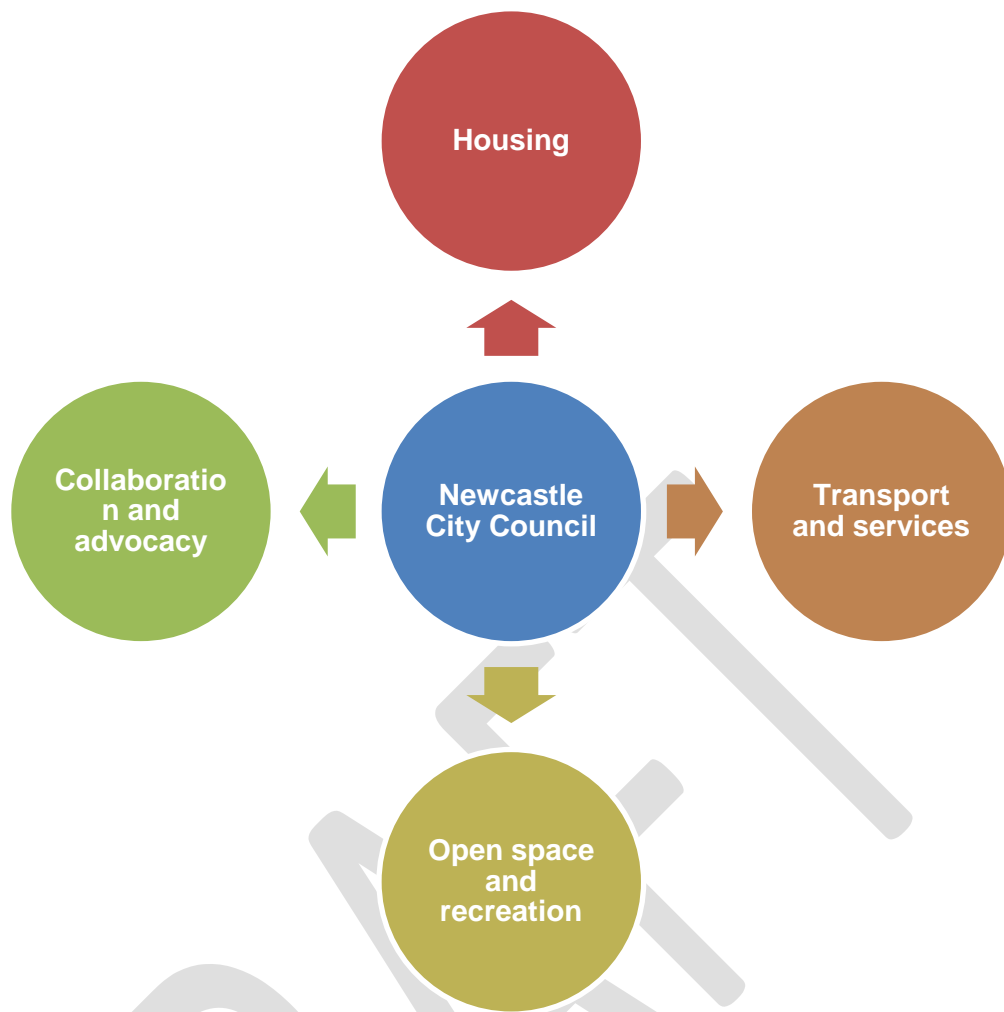


Figure 4: Newcastle City Council and affordable living

The Newcastle Local Planning Strategy identifies 'Residential Growth Precincts ' which incorporate a range of residential density standards to assist in planning for residential growth across the Newcastle local government area. The identified Residential Growth Precincts, including urban release areas, provide sufficient capacity to accommodate the predicted housing needs over the next 15 years and include:

- **Renewal corridors** - these include areas based on high transport accessibility and are focused upon (and between) the major local commercial centres of Islington, Mayfield, Hamilton, Broadmeadow and Adamstown. The renewal corridors provide for the highest residential density of development outside of the Newcastle city centre.
- **Substantial Growth Precinct** - this precinct covers the areas which are within a SAFE 10 minute walk of major local centres and some railway stations. This provides for the greatest density of development (outside the renewal corridors) to facilitate and support the major local centres and Newcastle Urbanism.
- **Moderate Growth Precinct** - this precinct covers areas within a SAFE 5 minute walk of minor local centres or neighbourhood centres. This precinct forms a transition between the substantial and limited precincts.

- Limited Growth Precinct - this precinct covers the remaining residential zoned land outside of the substantial and moderate precincts. Development in this precinct is intended to be limited as it does not satisfy the principles of Newcastle Urbanism.

## **B. Transport and services**

Land use planning decisions influence both development and transport outcomes. Newcastle City Council has identified five corridors that provide important links between centres and support centres as well as being centres in themselves. The five corridors are: Islington, Mayfield, Hamilton, Broadmeadow and Adamstown. These corridors have been identified as having opportunities for economic and / or housing renewal and intensification as they have good access to existing services, retail and public transport. Planning controls have been included in the Local Environmental Plan and the Development Control Plan to support the renewal and growth of these corridors through increased density.

Newcastle City Council has also prepared a Transport Strategy (2014) and a Cycling Strategy and Action Plan (2013) which aim to improve access to public and active transport options throughout the Newcastle local government area. Many of the actions proposed in these strategies will also support affordable living.

Although Newcastle City Council does not have a direct role in the provision of public transport (other than the provision of bus shelters) we do have an advocacy role to other levels of government, for improvements in transport and funding to meet transport costs. Council has published *Connecting Newcastle*, its vision for public transport across Newcastle and the Hunter to show how enhanced connectivity, including an expanded light rail network, and integration of all transport modes will improve liveability. This adopted vision will guide Council in its discussions with other levels of government for improvements in transport provision and funding.

## **C. Open space and recreation**

Access to quality public open space is an important consideration in supporting affordable living. These areas not only contribute to the character and biodiversity of the city, but the health and lifestyle of the community. Parkland and recreation areas have been found to improve the wellbeing of individuals and communities as quality open space provides opportunities for physical exercise, food production and social interaction.

Newcastle City Council has prepared a Parkland and Recreation Strategy (2014) which identifies strategic directions and actions to ensure parkland, sport and recreation meet the needs of the community. Many of the actions in this strategy will also support affordable living in the Newcastle local government area, for example, supporting the equitable development of facilities.

## **D. Education, collaboration and advocacy**

Newcastle City Council's Housing Management and Development Committee (BBC Committee) oversees the implementation of the BBC Demonstration Housing Program. The BBC Committee has successfully funded two major innovative housing projects for Newcastle to the value of \$2.6M including the This Way Home Project in partnership with Housing NSW in Mayfield. The Committee is currently focused on exploring affordable housing opportunities.



Newcastle City Council is a member of the Urban Development Institute of Australia (UDIA) and the Property Council of Australia and this provides ongoing opportunities for education and collaboration in relation to affordable living issues.

## **Key challenges for affordable living in Newcastle**

### **1. Supply of quality affordable housing**

In 2014, the NSW government released population projections which forecast a population growth rate for the Newcastle local government area of around 1% each year (Planning & Infrastructure, 2014). By 2036, the population of Newcastle is predicted to be around 198,350 with an increase of around 33,500 people (Department of Planning & Environment, 2016). The growth in single and couple only households is likely to continue, with a predicted need for around 16,800 new dwellings over this time (Department of Planning & Environment, 2016).

Very low and low income households are more vulnerable to housing stress and rising living costs. In the Newcastle local government area a significant number of very low, low and moderate income households have been identified as experiencing rental stress - 91%, 59% and 23% respectively, and the increasing rate of homelessness (ABS, 2011). Home purchasing stress is also relatively high in Newcastle with 65% of very low income households, 59% of low income households and 30% of moderate income households experiencing home purchase stress (ABS, 2011). The high rates of rental and purchasing stress identify a high demand for and significant need to increase the supply of private rental and provision of targeted affordable housing in Newcastle.

Although it is sometimes challenging to design boarding houses compatible with the character of the local area, boarding houses provide an alternative form of low cost rental housing for a wide range of tenants and are sometimes used as student housing. A boarding house generally contains individual bedrooms and some shared facilities such as kitchen, bathroom and common areas. There are currently (August 2016) 65 boarding houses registered in the Newcastle local government area (Fair Trading, 2016). Boarding houses can be found throughout the area, although a large number are clustered around the Mayfield / Tighes Hill area. This clustering is likely due to the proximity to the University of Newcastle and Hunter TAFE.

Caravan parks can provide housing to people that may not be able to afford anything else, or need flexibility, or cannot access the private rental market for other reasons. Newcastle has a single caravan park offering permanent accommodation. This caravan park is located at Tarro, and while it provides affordable accommodation, other factors such as distance to services and transport increase costs (such as petrol, vehicle maintenance and time in travelling) and are not favourable to affordable living.

### **Box 2: Case Study; Manufactured Home Estate, Newcastle**

A manufactured home estate containing 100 sites located near the Newcastle CBD.

The estate was approved under *State Environmental Planning Policy 36 - Manufactured Home Estates*, although it specifically caters to over 55's. The estate contains a range of 2 and 3 bedroom manufactured homes that incorporate energy design features such as LED lighting, gas hot water and passive cooling systems. The homes also incorporate universal design features to facilitate access and adaptability.

The cost to purchase a home\* is comparable to the median price of other similar sized units / villas in the locality, although the estate provides features that facilitate more affordable living than existing buildings by providing energy efficient, low maintenance and adaptable homes close to commercial areas, the city centre and a range of services.

*\*Note: In Manufactured Home Estates, the house only is purchased by occupiers and the land is leased.*

## **2. A diverse housing supply**

The size of households in general follows the life-cycle of families. Households are usually small at the stage of relationship formation, and then increase in size with the arrival of children. They later reduce in size again as these children reach adulthood and leave home and partners pass-away. There are a variety of reasons for people to move into or out of a suburb, however, the unavailability of appropriate housing should not require people to move elsewhere. A diversity of housing types may encourage older people to down size within the community and for young families to stay in the area (.ID, 2016).

A diversity of bedrooms contributes to housing choice which may create more affordable options. The Newcastle local government area does not have a good match of bedroom mix to household type and the fit between household type and bedroom number is worsening over time (Family and Community Services, 2016). Like much of Australia, single person and couple households will continue to be the dominant household configuration in the Newcastle local government area; however the housing stock is built for families (3+ bedrooms) and has not adapted to change (see: How do we live?). Between 2001 and 2011, the Newcastle local government area had a significant increase in four and five bedroom dwellings and losses in other bedroom categories. The growth in four bedroom properties and the lack of growth or loss in others means there is a very poor fit of household type to housing available (Family and Community Services, 2016).

The mismatch between bedroom numbers and household size may result from limited housing choice, but may also be attributed to household expectations. As households pass through the different life cycle stages, particularly child rearing and the period after children leave home, their utilisation of housing changes. While having spare bedrooms indicates a capacity to accommodate more people in reasonable comfort, it does not necessarily mean that dwellings are not being fully utilised. Households may put these 'spare' rooms to various uses (e.g. study, office, gymnasium, craft or hobby room, children's play room, guest bedroom or store room) (ABS, 2012).

It will be a challenge to provide a mix of housing types and sizes across any local government area so that a range of housing can be provided to fit the various household types. Urban fringe areas often have little diversity in housing types and sizes (e.g. predominantly detached dwellings with 4 or more bedrooms). For example, in the Fletcher-Minmi locality, the predominant form of housing is 4 - 5 bedroom detached dwellings and in 2011, 75.4% of all houses in this locality had 4 or more bedrooms (.ID, 2016). In contrast, in the Newcastle, Newcastle East and Newcastle West locality, the predominant form of housing is high density dwellings with 0 - 2 bedrooms. In 2011, 56.1% of dwellings in this locality had 0 - 2 bedrooms (.ID, 2016).

The ageing population also has implications for housing diversity in Newcastle. Existing homes may not be suitable for aging in place because the home may not be easily adaptable or may be too large and difficult to maintain. Newcastle City Council does not currently have any design controls for new dwellings to incorporate adaptable design features to facilitate ageing in place or to accommodate people living with disabilities.

*State Environmental Policy (Housing for Seniors or People with a Disability)* sets aside some local planning controls to encourage development of housing suitable for seniors and people with a disability. Between 2012 and 2016, Newcastle Council has granted consent to 19 developments under the Policy. The developments include a mix of residential care facilities and self-contained dwellings.

### **3. Equitable access to transport and services**

Access to jobs and services is strongly influenced by access to transport. A lack of affordable housing near well serviced centres can put pressure on key workers to seek more affordable housing further away from their job and services. More affordable areas are generally located on the urban fringe and often do not have good access to public transport or other services. As a result, households in more affordable areas without a car can be disadvantaged. The cost of car ownership and transport from outer suburbs to work can also negate the savings associated with cheaper housing on the fringe.

In 2011, Fletcher – Minmi had the highest proportion of households with two or more vehicles, while Jesmond had the highest proportion of households without a motor vehicle. Improving transport links and access to services in existing affordable areas may help to reduce the spatial distribution of disadvantage.

The ageing population also has implications for equitable access to transport and services. Common conditions that are part of the ageing process can have a major impact on the ability of a person to safely control a car. These include a loss of hearing and vision, decreased perception and memory, or reduced strength, flexibility and movement (Transport for NSW, 2015). As a result many people start to change their driving habits, or are required to give up driving, and become more reliant on public transport. Increasing transport choice through access to public transport, bicycle and pedestrian networks will also be important in ensuring equitable access to transport and services.

### **4. Neighbourhoods that support health and wellbeing**

Housing on the urban fringe is largely detached housing and may provide less opportunity to incorporate physical activity into daily activities. Limited public transport and long commutes reduce opportunities for walking and cycling and result in high reliance on private vehicles. Various studies have shown that long commutes are linked to poor health outcomes. It has



also been reported internationally that every 10 minutes spent commuting reduces all forms of social capital by 10% (Putnam, 2001).

Some people choose to live in new houses on the urban fringe and the provision of a range of quality open spaces and pathways throughout the area can support health and wellbeing. The Newcastle Development Control Plan 2012 contains specific development principles to ensure new subdivisions on the urban fringe address the principles of walkability, connectivity, permeability, legibility and safety in the design of the access and open space network.

It is also important to provide opportunities for affordable housing close to jobs and services, to reduce commute times and increase opportunities for physical and social activities for people who would prefer not to live on the urban fringe.

## **Opportunities for affordable living in Newcastle**

Direction 3 of the Hunter Regional Plan 2036 is to 'Revitalise the Newcastle City Centre' and details a specific action for Newcastle Council to *"Develop local housing strategies for student and visitor accommodation and social and affordable housing"*. Council's existing Local Planning Strategy contains strategic directions for residential lands that include actions related to housing diversity and affordability. This Affordable Living Plan expands on these actions by detailing further opportunities to support housing diversity and affordability. Actions discussed in this part of the Plan specifically consider student and visitor accommodation and social and affordable housing.

Based on the identified key challenges and the four themes under which Newcastle City Council can support affordable living, it is recommended that the following opportunities are investigated to find the right mix of tools that will best support affordable living within Newcastle:

### **A. Housing**

#### **A1 Urban development program**

To enable sufficient capacity across the local government area, and ensure housing is appropriate to the needs of the community it is important to monitor the supply of housing being developed across the local government area. The Department of Planning and Environment is working with councils across the Hunter to develop an urban development monitoring program. Council has been providing the Department of Planning and Environment with data on existing zoned land and information on dwelling construction and take up rates. Newcastle City Council will continue to work with the Department of Planning and Environment to ensure the Department implements an effective urban development program.

#### **A2 Inclusionary zoning policy**

Inclusionary zoning refers to the requirement for a percentage of floor space to be made available as affordable housing, or payment of developer contributions when land is up-zoned to achieve greater residential densities, and sites in key locations (such as existing centres) are redeveloped for greater residential density. Generally, this housing would be transferred to a community housing provider for ongoing management.

Inclusionary zoning has been successfully used around the world to increase the stock of affordable housing in cities. Box 3 includes details of the successful inclusionary zoning program implemented by the City of Sydney in the redevelopment of the Ultimo / Pyrmont area. However, Newcastle City Council would not currently be able to replicate the system used by the City of Sydney due to legislative restrictions. State Environmental Planning Policy No. 70 - Affordable Housing (Revised Schemes) is the mechanism used by the City of Sydney to levy contributions for affordable housing. This State planning policy only enables a small number of councils in the Sydney metropolitan area to collect developer contributions through a condition of development consent for affordable housing purposes.

Despite this limitation, Newcastle City Council can still consider inclusionary zoning in voluntary planning agreements. This approach relies on private developers voluntarily offering affordable housing (or a contribution) to Council as part of a planning proposal or development application. The affordable housing units or contributions would then be transferred to a not-for-profit community housing manager. The Newcastle City Council Planning Agreements Policy 2014 includes affordable housing as a matter that Council can consider in the negotiation of a voluntary planning agreement. A Council Policy on inclusionary zoning would show Council's interest in facilitating affordable housing, identify locations where affordable housing is needed, determine how contributions would be managed or distributed and allow a consistent approach to the consideration of voluntary planning proposals that include affordable housing elements.

### **Box 3: Case Study: City of Sydney Ultimo/Pyrmont**

As part of the long term strategy to redevelop the Ultimo/Pyrmont area, the Sydney Regional Environmental Plan No. 26 City West set out the planning principles for affordable housing that enabled contributions from the private sector towards affordable housing in the area.

The scheme is currently regulated through State Environmental Planning Policy No. 70 - Affordable Housing (revised schemes) and the Sydney Local Environmental Plan 2012.

Affordable housing may be provided in-kind or as a monetary contribution and contributions form a condition of development consent. The contribution is calculated on the basis of the total floor area that would otherwise be required to be dedicated for affordable housing. Current rates are calculated at:

- Residential uses: 0.8% of the total floor area
- Non-residential uses: 1.1% of the total floor area

The Ultimo/Pyrmont scheme aims to provide about 600 rental units for very low to moderate income households as development continues in the area over the next 15 to 20 years. To date more than 450 affordable rental housing units have been built under the scheme (City of Sydney, 2016)

The development and management of affordable housing units is managed by a not-for-profit, community based organisation, City West Housing.

### **A3 LEP and DCP controls**

The strategic directions for residential lands detailed in the Newcastle Local Planning Strategy identify broad principles to guide the review and development of the Local Environmental Plan and Development Control Plan to facilitate dwelling supply and diversity.

#### *Housing diversity*

The Local Environmental Plan and Development Control Plan can be used to support the retention of existing affordable housing and encourage diversity in the local housing supply. Some examples that have been used in other NSW councils that could be considered to support affordable living in the Newcastle local government area include:

- A specific aim within the Local Environmental Plan to encourage a mix of housing types, including affordable and adaptable housing. Examples include Randwick Local Environmental Plan 2012 and Byron Local Environmental Plan 2014.
- A development standard that requires a diverse mix of dwelling sizes in new multi-dwelling residential developments. For example, Leichardt Local Environmental Plan 2013 requires all residential flat buildings and mixed use development with 4 or more dwellings to have at least 25% of all dwellings as studio or 1 bedroom dwellings and not more than 30% of dwellings as 3 bedrooms.

The Local Environmental Plan and Development Control Plan also provide opportunities to plan for tourist and visitor accommodation and student housing as detailed in the Hunter Regional Plan 2036. Tourist and visitor accommodation is currently permitted in all residential, business and mixed uses in the Newcastle local government area. The SP3 Tourism zone can also be used to ensure specific sites are developed for tourism related uses. If necessary, specific design guidelines for tourist and visitor accommodation can be developed and included in the Development Control Plan.

#### *Housing affordability*

The Newcastle Local Planning Strategy includes a specific action to investigate an incentive clause in the Local Environmental Plan to facilitate affordable housing. An incentive clause would provide bonus development yield in return for part of the development being set aside for affordable housing. Further investigation, including economic feasibility is needed to determine the suitability of this mechanism. While incentive based measures can be effective in delivering community infrastructure and affordable housing if well-conceived and implemented, they can also result in increased landowner expectations and higher land prices and a scale of development that is not financially viable. It is important to have a good understanding of the cost implications, development tolerance, and the value of additional floorspace of any incentive based scheme.

The NSW government has developed a new package of measures to improve housing affordability across NSW. This package was released on 1 June 2017 and includes measures to assist first home buyers, increase housing supply and accelerate the delivery of infrastructure.

The principles of the Affordable Living Plan complement the actions of the NSW government and Council will work the Department of Planning and Environment to implement these planning measures.



### *Adaptable housing*

An incentive clause may also be considered for the provision of adaptable dwellings. For example, Great Lakes Local Environmental Plan provides a 10% floor space bonus where development in the R3 medium density zone has lift access to each level in the building, and the building is designed to be consistent with *Australian Standard 4299–1995, Adaptable housing*. However, a broader and more cost effective way of achieving a range of dwellings that are adaptable may be through guidelines in the development control plan.

The Liveable Housing Design Guidelines (Liveable Housing Australia, 2012) detail core design elements that can be incorporated into new dwellings to make homes easier and safer to use for all occupants, and easily adaptable in the future. By including the core liveable housing design elements in new dwellings, home occupants are provided with the opportunity to reduce or avoid the costs associated with retrofitting a home to improve access in the future, should it be required. The core elements can be incorporated into new dwellings without significantly increasing the building cost.

The core elements detailed in the Liveable Housing Design Guidelines could be incorporated into the Newcastle Development Control Plan 2012, to facilitate adaptable housing. The 7 core design elements in the basic (silver) level are:

1. A safe continuous and step-free path of travel from the street entrance and/or parking area to a dwelling entrance that is level.
2. At least one, level (step-free) entrance into the dwelling.
3. Internal doors and corridors that facilitate comfortable and unimpeded movement between spaces.
4. A toilet on the ground (or entry) level that provides easy access.
5. A bathroom that contains a hobless (step-free) shower recess.
6. Reinforced walls around the toilet, shower and bath to support the safe installation of grabrails at a later date.
7. A continuous handrail on one side of any stairway where there is a rise of more than 1 metre.

### *Intergenerational housing*

Intergenerational housing refers to housing that can accommodate different generations together. This can be achieved through a variety of means including secondary dwellings (granny flats) or house designs that can easily be altered and divided into two dwellings as the life-cycle of families evolves. This can make housing more affordable by providing opportunities for young families and older people to remain in their local area. Existing state policies and the Local Environmental Plan provide opportunities for secondary dwellings to be constructed in residential zones. The Development Control Plan can be used to support and encourage intergenerational housing models by ensuring controls support these forms of development.

## A4 Incentives

In addition to incentive clauses in the planning controls, there may be opportunities for Newcastle Council to offer other types of incentives to encourage the development of smaller low consumption dwellings. For example, to encourage the development of smaller, energy efficient homes, Newcastle City Council could consider reducing developer contributions for new dwellings that meet particular sustainable design standards in well serviced locations such as identified renewal corridors.

## B. Transport and services

### B1 LEP and DCP Provisions

Through its development control function, Council can influence the way people move around. At a broad level, the location of trip attractors such as schools, shops and employment, their density and mix, in relation to where people live, affects the length of day to day trips and how much the car is used to get around. The density of development and mix of uses are important elements in creating neighbourhoods that facilitate active transport such as walking and cycling.

The Local Environmental Plan and Development Control Plan can be used to support the goals and actions detailed in Council's Transport Strategy (2014) and Cycling Strategy and Action Plan (2012), which in turn support affordable living. In particular, the following actions from the Transport Strategy:

- **Strengthen development provisions to facilitate walking and riding** - *Council will review development controls and contributions plans to incorporate public pedestrian and cycle links where they can contribute to desirable connections and through routes, and to include provisions for design of new residential subdivisions at 40km/h local traffic areas.*
- **Review development controls for parking** - *In line with best practice management, consideration is to be given to stipulation of maximum parking rates of parking provision and facilitation of opportunities for sharing of spaces. Other matters to be addressed include the impacts of exempt and complying development controls, as they relate to car parking.*
- **Facilitate opportunities for establishment of car share schemes.** *Dedication of parking spaces for car sharing purposes; flexible development controls and developing a car share policy are examples of ways in which council can facilitate car sharing.*

These initiatives are also consistent with actions for Councils identified in the Hunter Regional Plan 2036 to achieve Direction 17: Create healthy built environments through good design. Action 17.3 is: *'Enhance the quality of neighbourhoods by integrating recreational walking and cycling networks into the design of new communities to encourage physical activity.'*

Car parking can add significant cost to the purchase and rental price of housing. Separating car parking spaces from individual units, can facilitate more affordable housing, particularly for people who choose not to own a car, as well as facilitating opportunities for sharing of spaces, provided these cost savings are passed on by developers. Consider whether bicycle parking rates and end of journey facilities are appropriate.

The Newcastle Development Control Plan currently contains requirements for 'end of trip facilities' to be provided in new developments with a construction value greater than \$250,000. To further support these requirements, a clause could be considered which allows end of trip facilities to be excluded from the calculated floor space. For example, Sydney City Local Environmental Plan 2012 provides a floor space bonus for commercial buildings located in central Sydney that have all of end of journey facilities (showers, change rooms, lockers and bicycle storage) together in one area of the building.

## **B2 Development contributions**

Section 94 of the Environmental Planning and Assessment Act allows Council to charge development contributions for public infrastructure necessary as a consequence of new development. Contributions are generally monetary payments but can also be made by the way of land dedications and works in kind in specific circumstances. Newcastle Council has Section 94A Development Contributions Plan which details the type, location and time-frame of works that will be undertaken with the development contributions that have been collected. The Section 94A Development Contributions Plan can be used to support affordable living. Council's Transport Strategy identifies opportunities to review and Section 94A Development Contributions Plan and support affordable living through transport initiatives:

- **Review Council's development contribution plans.** - *Review Council's development contributions plans to ensure the extent of transport works supports the desired development patterns and projections of the Local Planning Strategy.*
- **Review Council's development contribution plans to allow expenditure of contributions on a range of transport facilities** - *In conjunction with A2, review Council's development contributions plans to allow for expenditure of contributions on a range of transport facilities including sustainable transport measures, such as park and ride.*

## **C. Open space and recreation**

### **C1 LEP and DCP Provisions**

Newcastle City Council's Parkland and Recreation Strategy (2014) has been developed to guide the provision of parkland and recreation facilities for current and future communities. A key objective of the Strategy is to ensure equitable levels and standard of provision for recreation facilities across the local government area.

In addition to ensuring that a variety of parkland and recreational facilities are provided and distributed equitably across the Newcastle local government area, the Plan contains some specific actions that support affordable living. In particular:

- *Where Council chooses not to sell un-required parkland, undertake an expression of interest for the external management of undersized parkland by community groups for community gardens as a method to reduce Council's expenditure whilst encouraging Place Making initiatives.*
- *Implement and support the Community Gardens Toolkit.*

These initiatives are also consistent with actions for Councils identified in the Hunter Regional Plan 2036 to achieve Direction 17: Create healthy built environments through good design. Action 17.2 is '*Enhance access to fresh food by promoting initiatives that increase urban food production and access to produce from local farmers*'.



Community gardens support affordable living through the sustainable production of fresh, healthy locally grown food as well as offering opportunities for social interaction and community participation. As well as utilising undersized parks for community gardens, there are opportunities to increase local food production through roof-top gardens in residential flat buildings and the use of street gardens to grow edible plants. The Local Environmental Plan and Development Control Plan can be used to support these goals.

## **D. Education, collaboration and advocacy**

### **D1 Education**

Newcastle Council has an existing role in community education across a broad range of topics and this can be broadened to support affordable living opportunities including:

- Continuing to educate, promote and support low consumption, sustainable lifestyles.
- Implementing a program to educate the community, building designers, developers and builders on the benefits of incorporating adaptable design elements in residential buildings by promoting innovative projects.

### **D2 Advocacy**

Newcastle City Council has an existing role in advocating other levels of government on behalf of the Newcastle community and this can be broadened to incorporate affordable living opportunities including:

- Changes to state environmental planning policies and the standard instrument local environmental plan to make it easier for Councils to implement affordable living initiatives, such as inclusionary zoning.
- Changes to the Building Code of Australia to incorporate standards for liveable housing.
- Continuing to advocate for public transport improvements.
- Supporting the Federal government in the development of affordable housing schemes such as bond aggregation, or rent to buy schemes.

#### **Box 4: Bond Aggregation and Rent to Buy Schemes**

Bond aggregation schemes are designed to aggregate and source large amounts of capital from the bond market so as to provide lower interest, long-term loans to not-for-profit community housing providers (CHPs) developing housing for lower income households. The intention is that money would be raised efficiently with reduced financing costs rather than in expensive one-off transactions such as when borrowing from a bank.

The benefits of a bond aggregator scheme are that it is relatively simple and transparent; minimises the impact of debt on government budgets; draws on the successful experience and expertise of other countries; provides lower cost finance to community housing providers and therefore is likely to maximise the sustainable expansion of affordable housing stock.

Rent to buy schemes can be used to assist people to enter the housing market. The United Kingdom currently operates a rent to buy scheme which is designed to ease the transition from renting to buying a home. The scheme is managed by housing associations. Newly built homes are provided to eligible people for rent at approximately 20% below the market rate for up to five years. During that period the occupier has the option to buy the property or to buy part of the property.

### **D3 Collaboration**

Newcastle City Council currently works with other levels of government, not for profit sector and other industry groups to support opportunities for affordable living and this should be continued. In particular:

- Continue to provide support to community organisations to improve their ability to plan and deliver appropriate and accessible services to the community.
- Continue to support community housing providers and state government housing providers to plan and deliver affordable housing.
- Collaborate with Newcastle University / TAFE for the provision of appropriate student accommodation and undertaking research into local housing affordability issues.
- Continue to work through the BBC Committee, to explore affordable housing opportunities as part of the City Centre Renewal Program.
- Continued membership of the Urban Development Institute of Australia and the Property Council of Australia.

## Actions for affordable living

This section summarises the opportunities identified in the previous section of this plan 'Opportunities for affordable living in Newcastle and recommends time-frames for investigation of the specific actions. The recommended timeframes are:

- Short term - within 2 year
- Medium term - within 5 years
- Long term - greater than 5 years
- Ongoing - actions to be applied as relevant issues and opportunities arise.

A. Opportunities for housing			
	Focus Area	Strategy	Timeframe
<b>A1</b>	Urban Development Program	Work with the Department of Planning and Environment, to effectively monitor the delivery of housing and achieve dwelling targets as contained in the Hunter Regional Plan, i.e. 6,000 new dwellings for city centre and 16,800 dwellings across the Local Government Area to 2036.	Short
<b>A2</b>	Inclusionary zoning	<p>Investigate the development of a policy for inclusionary zoning which can be used in connection with voluntary planning agreements to facilitate the supply of affordable housing when land is being zoned for increased residential development.</p> <p>Engage with the Department of Planning and Environment to make relevant amendments to State Environmental Planning Policies to permit Newcastle to amend its LEP to allow inclusionary zoning.</p>	Short
<b>A3</b>	LEP and DCP provisions	<p>Investigate amendments to the Newcastle Local Environmental Plan 2012 and Newcastle Development Control Plan 2012, in line with State Planning Policies, to:</p> <ul style="list-style-type: none"> <li>• include a specific aim within the LEP to encourage affordable and adaptable housing including a mix of housing types.</li> <li>• include a floor space and / or height bonus in the LEP to encourage the inclusion of a percentage of affordable dwellings in new developments.</li> <li>• include a local provision in the LEP and/or additional controls in the DCP to encourage a</li> </ul>	Medium



	<p>diverse mix of dwelling sizes in new multi-dwelling residential developments, and to encourage new and different types of houses such as dual key apartments and adaptable homes.</p> <ul style="list-style-type: none"> <li>• update the DCP provisions for social impact assessments, to ensure the impact of losing existing affordable housing stock is understood and mitigated.</li> <li>• investigate whether there is a need to identify specific sites for the SP3 Tourist Zone and / or provide supporting design guidelines in the DCP.</li> <li>• ensure development controls support and encourage intergenerational housing models.</li> </ul>	
<b>A4</b>	<p>Incentives</p> <p>Investigate incentives to encourage the development of smaller low consumption dwellings. For example, reduce developer contributions for new dwellings that meet particular sustainable design standards in well serviced locations such as identified renewal corridors.</p>	Medium

B. Opportunities for transport and services			
	Focus Area	Strategy	Timeframe
<b>B1</b>	LEP and DCP provisions	Ensure the provisions in the LEP and DCP support the goals and actions detailed in Council's Transport Strategy and Cycling Strategy and Action Plan.	Short and ongoing
<b>B2</b>	LEP and DCP provisions	<p>Monitor and analyse:</p> <ul style="list-style-type: none"> <li>• development provisions to facilitate walking and riding;</li> <li>• development controls for parking;</li> <li>• opportunities for establishment of car share schemes.</li> <li>• bicycle parking rates and end of journey facilities are appropriate.</li> <li>• the inclusion of an LEP provision to support the existing DCP requirements for the provision of end of trip facilities by excluding end of trip facilities from the floor space calculation in commercial developments.</li> </ul>	Medium

<b>B3</b>	Development contributions	<p>Review Council's development contribution plans to:</p> <ul style="list-style-type: none"> <li>• ensure the extent of transport works supports the desired development patterns and projections of the Local Planning Strategy.</li> <li>• allow for expenditure of contributions on a range of transport facilities including sustainable transport measures, if and when endorsed by Council.</li> </ul>	Medium
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### C. Opportunities for open space and recreation

	Focus Area	Strategy	Timeframe
<b>C1</b>	LEP and DCP provisions	<p>Ensure the provisions in the LEP and DCP support the strategic directions and actions detailed in Council's Parkland Recreation Strategy. In particular:</p> <ul style="list-style-type: none"> <li>• Consider the inclusion of guidelines that encourage and promote sustainable food initiatives and access to fresh food locally such as rooftop edible gardens; community food gardens and use of street gardens to grow edible plants.</li> </ul>	Medium

### D. Opportunities for education, collaboration and advocacy

	Focus Area	Strategy	Timeframe
<b>D1</b>	Education	<ul style="list-style-type: none"> <li>• Work with relevant industry groups such as the Architects Institute of Australia and the Building Designers Association to implement a program to educate the community, building designers, developers and builders on the benefits of incorporating adaptable design elements in residential buildings.</li> </ul>	Ongoing
<b>D2</b>	Advocacy	<ul style="list-style-type: none"> <li>• Support and advocate for the Federal government in the development of affordable housing schemes such as bond aggregation, or rent to buy schemes.</li> <li>• Advocate to Federal and State governments for a minimum 10% affordable housing to be</li> </ul>	Ongoing

	<p>provided in appropriate scaled residential and mixed use developments.</p> <ul style="list-style-type: none"> <li>• Advocate for changes to State Environmental Planning Policies and the standard instrument local environmental plan to make it easier for Councils to implement affordable living initiatives, such as inclusionary zoning.</li> <li>• Advocate for changes to the Building Code of Australia to incorporate standards for liveable housing.</li> <li>• Continue to advocate for public transport improvements.</li> </ul>	
<b>D3</b> Collaboration	<ul style="list-style-type: none"> <li>• Continue to provide support to community organisations to improve their ability to plan and deliver appropriate and accessible services to the community.</li> <li>• Continue to support community housing providers and state government housing providers to plan and deliver affordable housing.</li> <li>• Collaborate with Newcastle University / TAFE for the provision of appropriate student accommodation and undertaking research into local housing affordability issues.</li> <li>• Continue to work through the BBC Committee, to explore affordable housing opportunities as part of the City Centre Renewal Program.</li> <li>• Continued membership of the Urban Development Institute of Australia and the Property Council of Australia.</li> </ul>	Ongoing



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