

The Hon. SOPHIE COTSIS: I would like to acknowledge everyone who has attended today, and the local member Noreen Hay. Mr Mayor, thank you for your letter to the Committee and your opening address. Has the Wollongong City Council developed an affordable housing policy as a council?

Mr BRADBERRY: It is not up to finalisation but that is where we are heading in as much as we have put a few things in place. As I said, \$9 million came from the last Federal Government in terms of subsidising deposits. Many people cannot even get the money together for a deposit. So we are putting that in place. But there will be other incremental factors going into our affordable housing policy.

The Hon. SOPHIE COTSIS: So this will form part of your affordable housing policy for Wollongong?

Mr BRADBERRY: Yes, and we are also looking forward to the outcomes of this inquiry.

The Hon. SOPHIE COTSIS: I am interested in this \$9 million from the Federal Government. Was that from the previous Labor Government?

Mr BRADBERRY: Yes.

The Hon. SOPHIE COTSIS: I am interested in the subsidy. How is it going to work exactly?

Mr BRADBERRY: It will be a sliding scale in terms of the dynamics of the individual or family that applies. I am sorry I cannot provide you with the exact detail now. I will take this on notice and supply that detail for you. Basically what we are looking at is a means by which we will supply the deposit,

The West Dapto Home Assistance Program is an initiative of Council established with funding received under the federal Government's Building Better Regions Cities Program. We received \$9.22M and are using these funds to assist low to moderate income earners to enter the housing market in the West Dapto Urban Release Area.

Initially we propose to offer assistance to 123 households – 27 packages in the first year and 48 in the following 2 years

The funding will be provided by way of a security deposit with IMB (local community bank), which will remain in Council's name but act as security against the home loan. When a program borrower's equity in their home increases, the security deposit will be released and recycled, allowing other people to participate in the program. Council hopes to be able to help as many as 300 households to buy their own home over the next 15 years.

A security deposit will be placed by Council with the IMB for the purpose of a home by an approved applicant. The amount of the security deposit will be 20% of the price of the home which is capped at \$75,000 in the first year of the program. This deposit remains in Council's name and acts as a security against the home loan, in addition to the mortgage. Interest earned on the security deposit will be credited to the home loan. Program borrowers will not be able to redraw on their principal repayments, or on the interest credited to the home loan from the security deposit.

Eligibility

To qualify as a low to moderate income earner,, the household income must not be higher than the income limiste set under the National Rental Affordability Scheme. In addition, applicants must mee tth elending criteria of the IMB to qualify for a home loan.

Household composition	Initial household gross income limit (\$)
1 adult	45,956
2 adults	63,535
Sole parent with 1 child	63579
Sole parent with 2 children	78,822
Sole parent with 3 children	94,065
Couple with 1 child	78,778
Couple with 2 children	94,021
Couple with 3 children	104,913

The Hon. SOPHIE COTSIS: So the details in terms of the income level, and where people will be

able to afford a property and whether it is a unit or a house, will be determined by you?

Mr BRADBERRY: Yes, it would be determined depending on the ability to pay back, of course. But at the same time we will be conscious of the fact that many cannot. They can pay their rent but they cannot save up for a deposit. The idea is that the rent then becomes the repayment on the deposit, which gets them started. So that is the system. I will need to check on the interest. I think it is either no interest or very low interest. I will get that clarified for you. We are still working through some of that detail.

The Hon. SOPHIE COTSIS: Thank you, it would be great if you could get that clarified. So it will be worked out over three years. So if there is an interest component then that will be paid off over the three years?

Council will not earmark homes that can be purchased under the program – the only requirements relating to the home are :

- The purchase price of the home must not exceed the cap of \$375,000
- The home must be within the Est Dapto Urban Release Area and maybe a built home or a house and land package.

The interest on the loan is determined by the IMB and current fixed or variable interest rates.

In relation to the deposit – the security deposits will remain in place to secure the home loan for a minimum of five years unless early exit is required. After five years, the property will be revalued and if the value has increased to the point that the initial loan value has reduced to 80% or less of the property value, the security deposit will no longer be required by the IMB to secure the mortgage and the deposit will be released to Council. If not, the security deposit will remain and the property will be revalued at a later date. Security deposits may also be released in the event of an early exit, including the sale of the property or in the event of default on the home loan.

The Hon. SOPHIE COTSIS: A number of councils have appeared before the Committee. We heard from one in Sydney and from two yesterday, Shoalhaven City Council and Shellharbour City Council. It was very interesting to hear what Shellharbour had to say. One of the questions I asked was whether they support mandated targets for affordable housing in new developments. What is your view?

Mr BRADBERRY: There is a focus upon that too, and it should be there. As I said, the West Dapto land release will involve some affordable housing.

The Hon. SOPHIE COTSIS: Do you have a percentage for that?

Mr BRADBERRY: I do not have that on me at the present time but I certainly could supply that for you as well.

The Hon. SOPHIE COTSIS: That would be good, thank you.

Mr BRADBERRY: Yes, but it is a significant and important part of the West Dapto land release. The developers have been more or less instructed that that is part of the mix.

The Hon. SOPHIE COTSIS: So you are actually saying to the developers that the expectation from your council is that they need to have a component of affordable housing in the development?

Mr BRADBERRY: Yes, and I will get the exact percentage and the exact wording for that as well.

After liaising with our land use planners, there is no definitive percentage of types of housing, however the West Dapto Release Area Chapter of the DCP has been developed to guide the development of the release area over the next thirty to forty years. The Master Plan provides for development of the area. The future urban structure and master plan for West Dapto is shown in Figures 4.1 and 4.2. It is characterised by a series of residential precincts generating approximately 17,050 dwellings.

Upon gazettal of Wollongong LEP (West Dapto) 2009 Stages 1 & 2 (Figure 4.3) were released (6,900 dwellings), however the release of Stages 3 & 4 and the Yallah-Marshall Mount precinct have been deferred pending further review. Stages 1 & 2 are characterised by:

- ☐ The Kembla Grange employment area.
- ☐ the expansion of the Dapto Town Centre to a major regional centre, acting as the primary retail destination within West Dapto to provide higher order goods, regional community facilities,

employment opportunities, higher density housing and a transport interchange, serving both the existing and future communities,

Development potential for approximately 6,900 dwellings representing lot supply to cater for the predicted demand of the next 15-20 years;

Higher density housing areas will enable the provision of a range of housing products, including 3-4 storey apartments, 2-3 storey townhouses and single storey villas and courtyard homes. A range of housing types are to be provided to ensure that the housing needs of all household types are met. A diverse demographic profile will help ensure a sustainable and vibrant community in the long term. The areas of lower residential density (R2 Low Density Residential zone). In the early stages of the release these areas should provide an average of 13 dwellings per hectare and then in later stages, 15 dwellings. In the more sensitive areas, the structure plan proposes around 5 to 10 dwellings per hectare to enable protection of environmental values and minimize visual impact.

The subdivision layout has been developed to meet a range of housing needs and provide housing diversity and choice.

The Hon. MATTHEW MASON-COX: Welcome, Mr Mayor, and thank you very much for coming in. I have a couple of questions in relation to your contributions to date. I note your comments about the Wollongong LEP, which was submitted to the State Government. I note that in your submission you say it was not supported by the Department of Planning and Infrastructure in terms of the initiatives proposed for affordable housing. Can you outline that for us and the reasons why, and precisely what initiatives you did put forward to the State Government?

Mr BRADBERRY: I do not have that detail on me at the present time so can I take that question on notice and supply that information to you.

Council proposed bonus floor space ratio provisions in the draft LEP. However the Department advised that SEPP (Affordable Rental Housing) provided the State's response to affordable housing and therefore our proposal was not accepted.

Ms JAN BARHAM: I will follow up with a question on notice about that. Having grown up in the area I know it quite well and I am concerned to see that there are some places where public housing is being sold off rather than a potential for more housing to be realised in some of those areas. Does the Government consult with council about those opportunities and the potential for increasing the level of housing stock or the mix and the provision, as you said, of other social services to enhance social capital?

Mr BRADBERRY: I cannot give you the exact detail of that negotiation or interaction. I do not have that detail before me at present, but our relationship with the department of planning and housing is quite amenable because ultimately we also have to pick up in areas of supplying or maintaining the road infrastructure and other pressures on our services as well. I just do not have that exact detail before me at present but we can provide that for you.

No. Council will be trying to engage with Housing NSW to discuss opportunities to increase housing stock. Council investigations have shown that additional housing opportunities can be achieved in some locations under the current controls – through the subdivision of large lots into smaller lots, or through multi-dwelling housing.

CHAIR: Perhaps this is a question you could take on notice but would your council have a decision on abolishing minimum lot sizes to deal with affordable and social public housing?

Mr BRADBERRY: I would have to test the council on that in as much as that is a challenging one.

CHAIR: Could you take it on notice?

Mr BRADBERRY: Yes. But personally I think that is inevitably the way to go because we are not getting much in terms of expansion of infrastructure funds, and so on, so we have to look at how, on infill, we can create those higher densities, which in some respects we are because the example is this precinct around here.

We do have 300 square metre allotments in the West Dapto Masterplan to cater for affordable housing. Apart from this we not aware of any discussions to remove minimum lot sizes. It does not apply to dual occupancy, multi-unit housing or residential flat building developments