

INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Organisation: Liverpool Plains Shire Council

Date received: 13/05/2014



Reference: DLA:dla 14/0188

Contact:

13th May 2014

The Honorable Paul Green MLC
Chair, Select Committee on Social,
Public & Affordable Housing
NSW Legislative Council
Macquarie Street
SYDNEY NSW 2000

Dear Mr Green,

Re: NSW Parliamentary Inquiry into Social, Public & Affordable Housing

Liverpool Plains Shire Council extends its appreciation for the opportunity to make comment in relation to the *"Inquiry into Social, Public and Affordable Housing"*. I am pleased to provide Council's submission to this Inquiry. It is noted that the Select Committee is inquiring into, and reporting on, demand for social, public, and affordable housing and in particular:

- (a) *Projections of future social, public and affordable housing supply and demand to 2020*
- (b) *Data regarding the link between the lack of appropriate social, public and affordable housing in New South Wales and indicators of social disadvantage*
- (c) *Housing design approaches and social service integration necessary to support tenant livelihoods and wellbeing*
- (d) *Maintenance and capital improvement costs and delivery requirements*
- (e) *Criteria for selecting and prioritising residential areas for affordable and social housing development*
- (f) *The role of residential parks*
- (g) *Recommendations on State reform options that may increase social, public and affordable housing supply, improve social service integration and encourage more effective management of existing stock including, but not limited to:*
 - (i) *policy and legislative changes*
 - (ii) *planning law changes and reform*
 - (iii) *social benefit bonds*
 - (iv) *market mechanisms and incentives*
 - (v) *ongoing funding partnerships with the Federal Government such as the National Affordable Housing Agreement*
 - (vi) *ageing in place, and*
- (h) *any other related matter.*

Local Context

Liverpool Plains Shire Council (LPSC) is located in the north west of NSW. The Shire has a total population of approximately 8,000 persons and covers a total area of around 5,000 km². The Shire has two (2) primary population centres - Quirindi and Werris Creek. A series of other smaller hamlets and villages are scattered throughout the Shire.

Geographically, LPSC is located 45 minutes south of the regional centre of Tamworth and approximately equidistant between the metropolitan centres of Sydney and Brisbane. One of the primary features of the Shire is its rich agricultural resources and associated heritage. The Liverpool Plains is renowned as being a 'food bowl' of international significance.

Unsurprisingly, agriculture has played a key role in the historical development of the Shire and contributed significantly to the current community character. Population growth within the region has remained relatively static over recent decades. Like many traditional agricultural economies, there have been periods of 'booms' and 'busts'.

Demographically, the Shire's population is in the order of approximately 8,000 persons. The Shire's residents are ageing and there are relatively low levels of educational attainment. Comparatively, Shire residents have a lower socio economic status and proportionately, there is a high indigenous population. A significant, and important indigenous settlement known as Walhallow, is located within the Shire. Walhallow currently houses a predominantly indigenous community which is understood to be in the order of 103 permanent residents. In this regard, the Committee's attention is drawn to the 2012 publication: *Portrait of Walhallow Aboriginal Community compared with NSW*, prepared by the NSW Government's Office of Communities (Aboriginal Affairs).

According to the Liverpool Plains and Gunnedah Shire Council report *Strengthening Basin Communities*, prepared by GHD and Marsden Jacob Associates (June 2011), compared to other LGAs in NSW, Liverpool Plains has amongst the lowest socio economic advantage and greatest disadvantage. The *Index of Relative Socio-economic Advantage and Disadvantage* ranks Liverpool Plains Shire in the bottom 24th percentile in Australia and the bottom 12th percentile in NSW with a score of 906. The Strengthening Basin Communities Report also reveals that towns within the Liverpool Plains, including both Quirindi and Werris Creek, have low SEIFA scores. Such scores also indicate that the townships are significantly disadvantaged and have lower education and occupation resources than other populations. As such, it can be reasonably concluded that the current resilience to the forces of social change are seriously constrained, if not completely unavailable.

Housing affordability is considered to be a critical factor in the maintenance of the current social fabric. Of key relevance to the issue of housing affordability is the relatively recent introduction and proposed progressive development of mining and coal seam gas resources within the region. This has created considerable community tensions and a polarisation of views, both positive and negative, regarding the potential impacts of mining on the community.

Forces of Change

As alluded to in the preceding section, there is significant existing and pending investment in coal mining and associated resources (including CSG) within the Gunnedah Basin. It is important to note in this regard that Liverpool Plains is strategically located and is effectively 'wedged' between the Hunter Valley coal fields and the current operational coal fields within the Gunnedah basin. Such activities are gradually progressing south and encroaching on the Liverpool Plains LGA.

The Shenhua Watermark Mine is located on the fringe of the LPSC and Gunnedah Shire LGA. This mine is in the advanced stages of assessment. Gateway determination is currently being obtained for another significant coal mining initiative in the Caroon Coal Project.

In respect of the extent and potential exploitation of coal resources within the Gunnedah Basin, cumulative impacts remain a key area of concern for Liverpool Plains Shire Council. Community concerns with the cumulative impacts of mining in the nearby Hunter Valley are also well documented and acknowledged. Historical discourse on the cumulative impacts of mining development has been largely driven from environmental perspective. However, it is considered that there has been little focus on the social and economic implications of such development.

(a) *Projections*

Council currently possesses limited data in respect of social, public and affordable housing within the Shire. A register of current land stocks within the Shire is available, however, this has not been interrogated nor benchmarked against any recognised acceptable criteria. It is considered that a dearth of knowledge currently exists in respect of affordable housing data in the local context.

According to a feasibility report prepared by Jenny Rand & Associates (2011) for a motel development, there has been some demand for both short (less than 6 months) and longer term rental accommodation in Quirindi from mine-related workers and ARTC workers. If the Caroon (BHP) Mine proceeds, there will be significant demand for rental accommodation from both contractors and mine employees. In other areas, contractors have rented houses and apartments as accommodation for their work crews.

According to local real estate agents, there are in the order of 270 to 300 residential rental properties in Quirindi, with around 90% of these properties being houses. There are 7 small (3-4 units) apartment buildings as well as apartments over a number of the shops. The vacancy rate for rental properties is currently around 5%.

Rents in the area increased when mining was first announced and have since remained relatively static. At the top end of the market, rent for a modern 4 bedroom brick veneer house is in the order of \$300 per week, with an older (1950s-1960s) weatherboard 3 bedroom house renting for around \$200 to \$220 per week. Cheaper properties (\$90 - \$170 per week) are also available. Two bedroom apartments rent for around \$130 - \$150 per week. If there is no increase in supply, then any increase in demand will put upward pressure on rents.

Cost-wise, rental accommodation is an attractive option for workers, with contractors able to accommodate 4-8 workers in a 4 bedroom house for \$300 per week plus electricity. The main issue is providing furnishings and fitout (in the order of \$7000 - \$10,000 to set-up a house). There are only two rental properties in Quirindi - an apartment block (3 apartments) and the cottage operated by the caravan park manager, which are rented furnished. The apartments have been let to BHP Billiton as serviced apartments.

(b) Data on linkages between affordability and social disadvantage.

Refer commentary above.

(c) Housing design approaches & social service integration

Council is supportive of housing policies and frameworks that are delivered as part of a whole of government approach and that integrate principles of good design and social sustainability.

Renewed government commitment is required by both State and Federal government to the funding of infrastructure to cater for both current and anticipated future demand. The Committee's attention is drawn to the recommendations of the *Liverpool Plains and Gunnedah Shire Council's Strengthening Basin Communities Report (2011)* which highlights a range of infrastructure challenges and corresponding needs commensurate with the impacts of climate change and post-mining development.

(d) Maintenance and Capital Improvement Costs and Delivery Requirements

Council has no specific comment to make in relation to this particular matter.

(e) Criteria for selecting and prioritising residential areas for affordable and social housing development

It is considered that a lack of clear policy frameworks exist for the identification of target sites and prioritized residential areas for affordable and social housing. Council is currently poorly equipped to take a lead role in these matters at the local level given the following:

- Current resource constraints (staffing and financial); and
- Lack of specific expertise.

Given the above, Council would be seeking to work in partnership with the various tiers of government (and private enterprise) in a collaborative fashion to deliver any local housing affordability programs. Such programs would need to be supported by appropriate funding and be strongly underpinned by an agreed regional strategic framework.

Such programs would need to be cognisant of the regional/rural context. Too often, blanket one size fits all programs are developed that are predominantly metro-focused. Such programs have limited, if not negligible success in rural areas. As such, Council would be generally unsupportive of such approaches.

(f) Role of residential parks

Council currently has only one (1) operational long term caravan park – the Quirindi Tourist Park. This caravan park is primarily geared towards short term tourist patronage and has a limited number of long term tenants. The park is currently under the ownership of Liverpool Plains Shire Council and is privately managed and operated. The caravan park has very limited opportunities for expansion given its size and prevailing environmental constraints.

No 'spare capacity' exists within local caravan parks to cater for any additional demand should the current housing structure be substantially modified.

The Northern Regional Joint Regional Planning Panel (JRPP) has recently consented to the establishment of a 1,500 unit miners' village within the township of Werris Creek. The facility also incorporates a small caravan park component which is geared predominantly towards the tourist market. The Mac facility is considered to have the potential to alleviate some pressures on the local housing market.

(g) Recommendations on State reform options

Council is strongly in favour of a whole of government approach to legislative reform that supports an increase in social, public and affordable housing supply and that improves social service integration. As detailed in the preceding commentary, such policy and programs should be cognizant of the local context and there needs to be a level of recognition that the challenges faced by rural and regional areas are often significantly different to those experienced within metropolitan areas.

To date, LPSC has had limited exposure to the *Affordable Rental Housing State Environmental Planning Policy (AHSEPP) 2009*. This is considered to be largely due to the availability of suitable local rental stocks. Consequently, no specific anecdotal information is available in relation to the performance, or likely performance of the AHSEPP, within the local context.

(h) Any other related matter

Social Impact Management Plans (SIMPs)

Council has been strongly advocating for the establishment of requirements for the preparation of Social Impact Management Plans (SIMPs) in respect to proposed mining development in the Region. SIMPs are considered to be an accepted best practice mechanisms in addressing social impacts arising from mining and associated resource developments. SIMPs assist in the establishment of the roles and responsibilities of proponents, government, stakeholders and communities throughout the life of a project, in mitigating and managing social impacts and opportunities during construction, operation and the decommissioning of major resource development projects.

Accordingly, such Plans are also considered to be a valuable tool in addressing housing affordability issues. Council would support the requirements for the establishment of SIMPs as part of all future mining projects. It would also be appropriate that such best practice guidelines incorporate specific requirements in respect of housing affordability. In this regard, it should be noted that the Queensland Government has made significant inroads in this area in the development of a range of publications including *Social Impact Assessment: Guideline to preparing a Social Impact Management Plan* (QLD Department of Planning & Infrastructure, September 2010).

Regional Policy Frameworks

Given the imminent impact of mining development on existing residential land stocks, it is considered appropriate that a Housing Affordability Strategy be prepared for LPSC. Ideally, a clear line of sight should exist between housing affordability policy frameworks and strategic regional land use plans (SRLUPs) and other broader Regional Strategies, such as, for example, Tamworth Regional Council's *Affordable Housing Strategy (2011)* and any strategic objectives embedded within individual SIMPs. The establishment of a range of KPIs, that are legible across the broader regional framework, would be both appropriate and desirable in any future Strategy.

Whilst Council acknowledges the important of such a Strategy, it is important to highlight that there is currently no capacity within Council's existing budget to complete, or substantially resource an initiative of this type. Consequently, assistance would be sought from other government agencies to fund and partner in the delivery of this project.

Key recommendations

1. Council be assisted in the preparation of an Affordable Housing Strategy as soon as is practicable.
2. The preparation of Social Impact Management Plans (SIMPs), addressing issues of housing affordability, be a legislated requirement for all future mining and resource development.
3. That ongoing funding be provided, by both Federal and State Government, for the progressive development of infrastructure commensurate with projected demand.

In the interim, should you have any further questions in relation to this matter, please do not hesitate to contact Council's Environmental Services Department on _____ or email lpssc@lpssc.nsw.gov.au.

Yours faithfully

Robert Hunt
GENERAL MANAGER