

Submission  
No 190

## INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

**Organisation:** Shellharbour City Council

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Partially Confidential



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28 February 2014

The Director  
Select Committee on Social, Public and Affordable Housing  
Parliament House  
Macquarie St  
Sydney NSW 2000

**Re: NSW Parliamentary Inquiry into Social, Public and Affordable Housing**

Dear Director

Shellharbour City Council welcomes the opportunity to comment on the *NSW Parliamentary Inquiry into Social, Public and Affordable Housing*.

Background

At the 2011 Census, Shellharbour had a population of 63,605 (up from 60,337 in 2006)<sup>1</sup>. This population is expected to increase to 79,146 in 2031<sup>1</sup>. Shellharbour had a total of 24,469 occupied dwellings at the 2011 Census (up from 22,922 in 2006)<sup>1</sup>. It is noted that at the 2011 Census, at least 81.5% of Shellharbour dwellings had three or more bedrooms<sup>1</sup>.

Safe, secure housing is essential for good health, employment, education and community wellbeing. Without access to affordable housing, some people face homelessness or struggle to meet utility, food and other basic living costs.

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<sup>1</sup> Australian Bureau of Statistics. *Census of Population and Housing*. Informed Decisions (.id), 2011

Housing stress is defined as per the National Centre for Social and Economic Modelling model as households in the lowest 40% of incomes who are paying more than 30% of their usual gross weekly income on housing costs. In 2011, 32% of Shellharbour residents were experiencing rental stress and 11.6% of residents were experiencing mortgage stress<sup>1</sup>. When assessing the adequacy of supply of affordable rental housing, it should be noted that lower cost stock is often occupied by moderate and higher income households, which are able to compete favourably with lower income households, particularly in a tight rental market<sup>2</sup>.

Since the introduction of the State Environmental Planning Policy (SEPP) Affordable Rental Housing, there has not been an influx of developments under the SEPP, however, there has been a gradual interest in secondary dwellings. The SEPP sought to provide incentives for developers to create affordable housing by way of additional floor space subject to meeting certain criteria such as location. This led to problems such as the development being out of character with a location and the SEPP being amended to introduce a character test. Since the change to Shellharbour City Council's planning regime in 2013, an increase in dual occupancies and multi-dwelling housing applications by private developers has been observed.

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<sup>1</sup> Australian Bureau of Statistics. *Census of Population and Housing*. Informed Decisions (.id), 2011

<sup>2</sup> NSW Government. *Information on Shellharbour Housing Market*. Housing NSW, 2011.

### Key issues for Shellharbour

In Shellharbour, some of the key housing issues for the community include:

- Evidence suggests that a large number of people are on a waiting list for public housing in Shellharbour<sup>2</sup>. This is similar to the pattern seen across New South Wales.
- Research undertaken in Shellharbour indicates that vacancy rates are low, rents are rising, demand is increasing and the number of people in housing stress is increasing<sup>2</sup>. There is a need to increase the supply of affordable rental housing.
- Those areas within Shellharbour with the lowest SEIFA scores, including Lake Illawarra, Warilla and Barrack Heights are those that have the highest percentage of people renting social housing<sup>1</sup>.
- There is a need for more one bedroom, studio and boarding house style accommodation to assist in meeting the needs of the community through different stages of the housing life cycle and particularly for young people and elderly people on lower incomes. There are an increasing percentage of residents who live alone and the percentage of couples without children has been shown to be increasing<sup>1</sup>.
- Housing affordability often contends with private sector profitability. This is usually manifested in large green field development areas such as Shellharbour. Supply is often gradually released onto the market to ensure prices remain buoyant and profit margins are maximised. This process does not encourage housing affordability and, instead, means that lower income earners are competing with higher income earners.

<sup>1</sup>Australian Bureau of Statistics. *Census of Population and Housing*. Informed Decisions (.id), 2011

<sup>2</sup>NSW Government. *Information on Shellharbour Housing Market*. Housing NSW, 2011.

- Lack of affordable housing for purchase for low and moderate earners has become evident. There has been a significant decline in the proportion of housing for purchase in Shellharbour that is affordable for lower income earners<sup>2</sup>. There is also the question of whether lower income earners are able to contend with higher income earners for affordable properties, suggesting the need for affordable purchase opportunities to be targeted.

### Recommendations

We recommend that the Select Committee consider the following:

- Affordable, social and public housing should be distributed across different areas in the Shellharbour Local Government Area. This will assist in reducing the waiting list, decreasing crime, minimising costs for repair, demolition and relocation, and increasing the number of properties that are perceived as desirable.
- It is recommended that the Select Committee consult local government and non-government organisations within the Shellharbour area to gain a further understanding of the issues and work together to make significant changes to improve social, public and affordable housing for our community.
- The Government, together with community housing providers and organisations, need to ensure that there are adequate and appropriate housing choices for specific target groups, including families and children with child protection concerns, people with a disability, young people, elderly people, people with a mental illness and people from culturally and linguistically diverse communities.

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<sup>2</sup> NSW Government. *Information on Shellharbour Housing Market*. Housing NSW, 2011.

- Older housing stock could potentially be redeveloped with respect to the age and social profile of the population and the existing housing stock in the Local Government Area as it is in an ideal location and close to schools, hospital, shops and the like. This would be as opposed to a philosophy of no net loss in dwelling stock by selling property or redeveloping to higher densities its retained land stocks. If densities and population are to increase, however, then the capacity of infrastructure and services needs to be adjusted accordingly.

Thank you once again for the opportunity to comment on the *NSW Parliamentary Inquiry into Social, Public and Affordable Housing*. If you require any further information, please contact

Yours sincerely