

**Submission
No 234**

**INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE
HOUSING**

Organisation: Wollongong City Council

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The Hon. Paul Green, MLC
Committee Chair
Parliamentary Select Committee
Social, Public and Affordable Housing
Parliament House
6 Macquarie Street
SYDNEY NSW 2000

Our Ref:

Z13/260959 & Z14/9939

File:

ESP-100.03.024

Date:

10 March 2014

Dear Mr Green

NSW PARLIAMENTARY INQUIRY INTO SOCIAL, PUBLIC AND AFFORDABLE HOUSING

Wollongong City Council is supportive of the Inquiry into Social, Public and Affordable Housing and recognises housing affordability is a complex structural issue requiring a coordinated long term response from all levels of government.

Wollongong has the third largest number of public housing rental properties in NSW (6,600 properties or 5.4% of all public rental properties in NSW). In the private rental market, there were 722 properties available for rent in the Illawarra Statistical Area in 2012, of which only 19 were identified as affordable and appropriate for households receiving income support. The 2006 census estimates the number of homeless households in the Wollongong Local Government Area at 526. The latest Annual Demographia International Housing Affordability Survey (2013) places Wollongong as the 27th most unaffordable housing market of the 360 urban markets surveyed across nine countries.

Research has indicated that nationally the largest group of households experiencing affordability problems are those in the private rental market. Rising housing prices relative to income and a housing shortfall (public and private housing) are affecting the population's housing choices. Home ownership has declined substantially across all but the older cohorts, and it seems likely that the trend to lower rates of home ownership and higher rental rates will continue. Required is a strategic rental housing policy framework to foster adequate and stable levels of investment in rental housing and to develop management and regulatory arrangements that are suited to the needs of long terms renters.

Some key trends that the Inquiry might investigate include:

- Cheaper and more affordable housing tends to be located in areas of poorer amenity, away from employment centres or with limited access to public transport, and hence measures are needed to encourage infill development and reduce concentrations of disadvantage;
- Sizeable increase in the number of persons nearing retirement age with a mortgage – a larger share of retirees who do not own their home outright could have implications for aged care, with older persons seeking non private dwellings due to affordability problems rather than care needs;
- Lone person households occupying a larger share of detached houses, and a larger share of families living in flats and attached dwellings (potential inefficient distribution);
- Increases in homelessness;
- Given that net overseas migration represents half of Australia's population growth, an understanding of migrants' housing consumption patterns is important;
- Substantial increase in the number of overseas students;
- Labour market less regulated with a greater reliance on fixed term contracts, part time work and a casualised labour force, all of which put incomes of the working poor at risk;

- The average length of a social housing tenancy is increasing, resulting in significant waiting lists (57,451 applicants in NSW in 2013);
- The current taxation system and negative gearing may be fostering an unhealthy focus on housing as an investment vehicle, thereby compounding affordability issues;
- Barriers faced by the development industry in the provision of infill housing construction; and
- The NSW Planning system requires provisions that encourage the development of affordable housing by the private sector. The SEPP (Affordable Retail Housing) has had little impact. The Standard LEP Instrument does not contain any standard provisions for Council. Indeed the initiatives proposed by Council to be included in the draft Wollongong LEP 2009 were not supported by the Department of Planning and Infrastructure. Additionally, Council officers participated in the Affordable Housing Taskforce Reference Group chaired by the Department of Planning and Infrastructure, however disappointingly the Group's draft report has not been released, let alone acted upon.

Wollongong City Council has received a Federal Government Grant under the Building Better Regional Cities program and it is planned to provide these funds to assist low to moderate income earners enter the housing market in the West Dapto urban release area, through the offer of a Home Deposit Assistance Program. Council estimates that over 15 years there is the potential to assist around 300 households to purchase a home under the program.

Council would welcome the opportunity to engage in further initiatives of this nature to increase the ability of households to access affordable and appropriate housing. Council would be interested in the opportunities to assist Housing NSW to improve the supply of affordable housing choices and encourage a social mix on their sites.

Please note that Council officers do not wish to appear at the public hearing.

Yours faithfully

David Farmer
General Manager
Wollongong City Council

cc. The Hon. Sophie Cotsis, MLC, Shadow Minister for Housing