

ITEM 11: LMM 27/04/2021 - Housing Affordability crisis in Newcastle

MOTION

That City of Newcastle:

1. Recognises that dedicated, long-term social and affordable housing and advocates have declared that Newcastle is on the brink of a humanitarian crisis, with the end of JobSeeker and JobKeeper, the rent-rise moratorium coming to an end and a sharp increase in the value of property creating a 'perfect storm' for the rise of homelessness;
2. Acknowledges the current housing crisis, and commits to continuing to do all that we can from local government to address housing affordability across Newcastle, noting that the supply of new social and affordable housing stock is the responsibility of the State Government, with the support of the Federal Government;
3. Notes that City of Newcastle continues to advocate to the State and Federal Government to provide adequate funding to address housing affordability in Newcastle, including:
 - a. The development of the 'Newcastle Local Housing Strategy' (LHS) 2020 (**Attachment A**), which sets a framework for the provision of housing across the Newcastle Local Government Area (LGA), which includes the development of an Affordable Housing Contributions Scheme to facilitate the provision of affordable housing in new developments, and is currently the only available direct mechanism that the City of Newcastle can utilise to increase the availability of affordable housing;
 - b. Providing submissions to the NSW Government on the following reforms:
 - Introduction of a NSW Housing Strategy (**Attachment B**);
 - New Housing Diversity State Environmental Planning Policy (**Attachment C**); and
 - 'Continuing the Productivity Conversation' Green Paper by the NSW Productivity Commission (**Attachment D**).
 - c. Providing Budget Submissions to the State and Federal Treasurers advocating for additional funding for affordable housing initiatives as a part of every State and Federal Budget cycle, during this term of Council;
 - d. The City of Newcastle COVID-19 Taskforce unanimously endorsed to advocate for affordable housing initiatives to State and Federal Governments as a part of their economic stimulus programs aimed to assist in the economic recovery from the COVID-19 global pandemic.
4. Recognises the concept of a 15% Affordable Housing Mandate on privately developed land, whereby 15% of new dwellings or floor space on privately developed land is mandated as Affordable Housing in new housing developments, and considers this rate as a part of the development of the Affordable Housing Contributions Scheme.
5. Notes that key housing and social services advocacy groups such as, the NSW Council of Social Service (NCOSS), Homelessness NSW, the Tenants Union of NSW, National Shelter, the Australian Housing and Urban Research Institute and the Community Housing Industry Association support the provision of a 15% affordable housing mandate, at a minimum, for private development;
6. Recognises that industry experts point to the ACT Government's 20% affordable housing mandate, and the South Australian Government's 15% affordable housing mandate on many new private developments, including a 5% social housing mandate, as key examples of government housing affordability policies;

7. Supports the Governance Directorate, through Regulatory, Planning and Assessment, to expedite the development of the City of Newcastle Affordable Housing Contributions Scheme, and endorses the provision of adequate resourcing to do so;
8. Notes, with ongoing concern, the Federal Government's decision to phase out funding for the National Rental Affordability Scheme (NRAS), with no new funding mechanisms identified to ensure the ongoing provision of leases 20% below market rate in affordable housing units, with no new funding mechanism identified that would facilitate the retention of existing stock beyond the 10-year obligation;
9. Continues to advocate to the NSW and Federal Government's to provide additional funding to address the affordable housing crisis across Newcastle, and writes to the NSW and Federal Treasurers, providing copies of our submissions and advocacy to date as well as a copy of the Newcastle Local Housing Strategy.

BACKGROUND:

NSW homelessness deemed 'humanitarian crisis' as new wave hits amid rental market squeeze

ABC Newcastle By Giselle Wakatama

Monday 29 March 2021

Domestic violence and homelessness groups along with tenancy advocates say New South Wales is on the brink of a 'humanitarian crisis' in terms of homelessness.

Key points:

- Families who cannot find a home to rent are opting to live in their car and send their children to live with relatives
- Advocates fear the end of the moratorium on rental increases will trigger a "humanitarian crisis"
- One homelessness hostel had received 119 referrals for homeless people in distress in the past month alone

A rally in Newcastle on Monday was told crisis accommodation was at capacity and rental vacancies were virtually non-existent.

Nicole Grgas from the Hunter Tenants Advice and Advocacy Service says people are desperate and resources are stretched to the limit.

She says people who are now at risk have nowhere to go.

"And we are speaking to more tenants who have orders from tribunals that it is time for them to leave their homes, " Ms Grgas said.

"What they are saying is, 'I have to move into my car, I have to split my family up into different relatives' houses because I have got nowhere to go.'"

Ms Grgas said some renters had looked at 100 or more homes, only to lose out to people willing to pay up to a year's rent in advance.



Nicole Grgas from Hunter Tenants Advice and Advocacy Service says the rental situation is akin to a humanitarian crisis.

"People are telling us that they are not even able to get storage for their goods, that's how many people are in the market at the moment," she said.

"People are being priced out or just being unable to compete with some of those people coming into the market."

Lack of housing widespread

Kelly Hansen is the chief executive for Nova for Women and says the end of JobSeeker and JobKeeper, as well as the rent-rise moratorium, have created a perfect storm.

"I have worked in this sector for 35 years. I am terrified," she said.

"I think that this is a humanitarian crisis and it is now going to be more visible to the wider community."

Ms Hansen said homelessness was affecting a cross-section of people, many of who had never been without a home before.

"Look around you, we have got people who are two-income earners getting evicted and they can't find properties, they are shocked, we are all shocked," she said. It is a scenario not lost on Homelessness NSW chief executive Katherine McKernan.



Welfare officials say the state should brace itself for more tent cities.

"With the loss of JobSeeker and JobKeeper, we have done some economic modelling and in Newcastle, for example, we are looking at potentially an increase in homelessness of up to about 38 per cent and people living in housing stress [at] around a 70 per cent increase," she said.

And the problem has not been isolated to Newcastle with people at the rally told of a statewide crisis.

"People are staying with their [domestic violence] perpetrators, or sleeping rough, under houses and stairwells," Ms McKernan said

"And people are often separated from their children, living in the car or tent, while children stay with family."

More crisis accommodation needed

In November, the Minister for Families Communities and Disability Services, Gareth Ward, announced a \$29-million expansion of the NSW government's Together Home project to address rough sleepers.



But a crisis worker from the Matthew Talbot Hostel said that was not enough. He told the crowd the local hostel had received 119 referrals for homeless people in distress in the past month alone.

The rally ended with Jenny's story, read out by an advocate.

"[After] 53 years ... [of] severe domestic violence, Jenny had been living with her husband and had no rental history or home of her own," it read.

"This left Jenny with nowhere to stay.

"Jenny spent two nights in hotel temporary accommodation before entering a women's refuge."

The advocate then explained that because of severe injuries sustained at the hands of her abuser Jenny could not work, which meant she was priced out of the rental market.

"Jenny's rental affordability is \$215 per week," the advocate said.

"There are currently no properties in the Newcastle area that are affordable for Jenny.

"Jenny wanted you to know this, these are her words."

Housing Affordability – City of Newcastle action and recommendations

Buying a house has become unaffordable for most very low to moderate-income households. In 2017, for example, less than 2% of housing stock was affordable to very low-income households, 5% for low income households, and 25% for moderate income households.

Research commissioned by national homelessness campaign *Everybody's Home* has shown that homelessness in Newcastle and Lake Macquarie is projected to increase by 37.4 per cent in the 12 months to June 2021 and housing stress will increase by 78 per cent, exacerbated by the COVID-19 global pandemic.

With home ownership beyond the reach of moderate-income households in most suburbs, more households are turning to the rental market.

The impacts of increasing property prices are accentuated by lower average household incomes across the City of Newcastle, when compared to many capital cities.

The largest sectors of employment are industries that generally have very low to moderate incomes such as healthcare and social assistance and education and training.

Social and Affordable Housing in Newcastle

There are currently 132 social and affordable housing (SAH) units in the pipeline, falling substantially short of the assumed underlying demand, in the order of 7,000 to 7,500 units. This is compounded by the possibility of the SAH units in the pipeline not being enough to replace the existing stock being lost.

Many of the benefits associated with social housing include “preventing homelessness, protection from domestic violence, social inclusion, [and] educational attainment” and it should be viewed as a form of social infrastructure.

The current social housing stock is typically older and will therefore need to be retrofitted or replaced.

In addition, affordable housing units approved under existing SEPPs are required to be leased at 20% below the market rate for 10 years, with rents subsidised by National Rental Affordability Scheme (NRAS) funding.

Funding under the NRAS is expected to be phased out, and no new funding mechanism has been identified that would facilitate the retention of existing stock beyond the 10-year obligation. It is reasonable to assume that as each affordable housing project reaches its ten year obligation, a large proportion of affordable housing units will be converted to full market price private rental dwellings.

This indicates a significant supply gap that needs to be addressed.

Households seeking SAH range from single person households to large families, and the accommodation being sought includes government-subsidised emergency shelters to unassisted home ownership.

Therefore, a coordinated and effective response must be delivered through cooperation between Council, the State Government, Community Housing Providers and developers.

Locating SAH close to facilities, employment centres and public transport has direct benefits for the occupants, the economy and surrounding community.

Therefore, prioritising the provision of SAH in Catalyst Areas and Urban Renewal Corridors is a key priority.

This can be achieved through the preparation of an Affordable Housing Contributions Scheme under SEPP 70 which will enable the levying of contributions for the provision of additional affordable housing in Newcastle.

Advocacy to the NSW Government

The Australian Housing and Urban Research Institute (AHURI) identifies a need for 727,300 additional social housings dwellings over the next 20 years.

In Newcastle alone, it is estimated that 7,000 – 7,500 new social and affordable homes are required over the next 20 years, while only 132 dwellings have been delivered in the Newcastle LGA to date.

City of Newcastle has recently provided submissions on the following reforms, to the NSW Government:

- Introduction of a NSW Housing Strategy;
- New Housing Diversity State Environmental Planning Policy; and
- 'Continuing the Productivity Conversation' Green Paper by the NSW Productivity Commission).

Key issues raised by City of Newcastle through these submissions include:

- Given the increasing need for housing for those most at risk, State investment should prioritise social housing.
- Housing reforms should primarily consider housing for people with a disability or high care needs, and other social groups identified as vulnerable to experiencing housing stress.
- The value of partnership between State and Local Government to address housing issues. An example in CN are Catalyst Areas, which have the greatest opportunity for affordable housing through the inclusion in an affordable housing contributions scheme, further outlined below.

ATTACHMENTS:

- **Attachment A: Newcastle Local Housing Strategy**
- **Attachment B: City of Newcastle submission to the NSW Government: Introduction of a NSW Housing Strategy**
- **Attachment C: City of Newcastle submission to the NSW Government: New Housing Diversity State Environmental Planning Policy**
- **Attachment D: City of Newcastle submission to the NSW Government: 'Continuing the Productivity Conversation' Green Paper by the NSW Productivity Commission**

Newcastle Local Housing Strategy



newcastle.nsw.gov.au



City of
Newcastle

Acknowledgment

City of Newcastle acknowledges that we operate on the grounds of the traditional country of the Awabakal and Worimi peoples.

We recognise and respect their cultural heritage, beliefs and continuing relationship with the land and waters, and that they are the proud survivors of more than two hundred years of dispossession.

City of Newcastle reiterates its commitment to address disadvantages and attain justice for Aboriginal and Torres Strait Islander peoples of this community.

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Acknowledgement of Awabakal and Worimi Peoples

The Awabakal and Worimi peoples are descendants of the traditional owners of the land situated within the Newcastle local government area (LGA), including wetlands, rivers, creeks and coastal environments. It is known that their heritage and cultural ties to Newcastle date back tens of thousands of years.

It is difficult to determine the exact traditional boundaries of the Awabakal and Worimi peoples, which is mainly a consequence of the breaking down of kinship and belief systems, and dispossession of their lands. However, today it is more readily acknowledged that the lands to the north of the Coquun (Hunter River) are known to be connected to the Worimi peoples, and lands to the south of the Coquun are considered that of the Awabakal peoples.

There was a place on the Newcastle harbour called 'Muluubinba', which translates as a place with plenty of seafern. The 'Muluubinba' place name has become synonymous with the name for the current city of Newcastle. This is a symbolic acknowledgment and reference of the Awabakal and Worimi peoples' historical connections to Newcastle, that they lived and continue to live on and about this country, building and reviving their strong cultural practices and spiritual affiliations to this land.

Sacred sites, ceremonies, song-lines and storytelling are prominent and spiritual aspects of Aboriginal life. The knowledge of significant places, enactments and narrations, were imparted from one generation to the next. Demonstrating a deep knowledge of country, that contained key information and laws, that regulated and sustained relations between all living things.

The evidence of continuous and extensive Aboriginal occupation of Newcastle is also reflected in many colonial records such as journals, maps and sketches, as well as recent archaeological records. Multiple sites containing Aboriginal objects have been uncovered and documented throughout the Newcastle local government area, and in 2016 eight Aboriginal place names were gazetted by the NSW Geographical Names Board.

These eight Newcastle landmarks are officially dual named with their traditional Aboriginal names in recognition of Aboriginal Cultural Heritage. The names are based on Aboriginal references to the landmarks documented in maps, sketches and geological descriptions dating back to as early as 1798:

Nobbys Head – Whibayganba

Flagstaff Hill – Tahlbihn

Pirate Point – Burrabihngarn

Port Hunter – Yohaaba

Hunter River (South Channel) – Coquun

Shepherds Hill – Khanterin

Ironbark Creek – Toohrnbing

Hexham Swamp – Burraghinhbihng

Today, Newcastle is home to one of the largest Aboriginal populations in Australia, drawn from many Aboriginal language groups. These diverse communities proudly and actively identify with, foster and protect their distinctive cultures, beliefs and languages. Their knowledge and heritage continue to enrich and inform Aboriginal and non-Aboriginal communities of Newcastle and the Hunter region.

Executive Summary

The Local Housing Strategy 2020 (LHS) sets a framework for the provision of housing across the Newcastle Local Government Area (LGA) over the next 20 years.

The LHS has been developed in accordance with the Department of Planning, Industry and Environment's (DPIE) 'Local Housing Strategy Guideline' and includes consideration of demographic factors, local housing supply and demand, and land-use opportunities and constraints.

The first step in developing the LHS has been to establish the context and the evidence base to identify the requirements of the LHS, including housing supply gaps, specific needs and development capacity. The LHS is based on evidence from the Newcastle Housing Needs and Local Character Evidence Report (2019) and other sources referenced throughout the LHS.



Key findings

The population in the City of Newcastle (CN) is projected to increase by around 41,000 people between 2016 and 2041, from 160,900 to 202,050 people.

The number of new households is projected to increase by around 18,250 between 2016 and 2041. This growth is partly driven by population growth, and partly by household composition with an increase in one and two person households. Based on the projected population growth, future household composition, and the number of dwelling vacancies, it is estimated that there will be a demand for 19,450 new dwellings by 2041.

Based on collective insights from national research into housing preferences of Australians by both the Grattan Institute (2011) and the Australian Housing and Urban Research Institute (2019 a,b), it was found that households generally prefer to live in detached homes with backyards. However, many people cannot afford their ideal house in their preferred location and therefore must make trade-offs between different factors (size, location, etc.).

Employment and Household Income

In CN, the proportion of unemployed and part-time workers has risen since 2011, while the number of full-time workers has declined. Furthermore, over one third of households in CN earn a very low to low income. This has resulted in a high proportion of CN's population being unable to afford to buy or rent a house, or experiencing housing stress, which indicates that there is strong demand for more affordable housing options to be provided locally.

Household Composition

In CN, household sizes are expected to shrink over time as more people live alone or as a couple without children. This change in household composition will influence the future housing demand in relation to the number and size of new dwellings required.

Demographics

Young adults tend to move to CN for tertiary education and employment, driving the demand for rental housing while studying and establishing a career. This makes the availability and affordability of rental accommodation an important consideration for urban planning.

CN's population is ageing slightly, as with much of Australia. The proportion of people in retirement age (65+) will increase from 15% in 2016 to 17% in 2041. It is therefore important that the housing needs of this growing cohort are identified and factored into our future planning. In addition, around 6% of CN's residents have a severe or profound disability and require assistance in their daily lives and housing to suit their specific needs.

There is a clear need for affordable, accessible and adaptable housing to suit the range of needs across the population.

Housing Supply

Amount and type of current and planned housing stock

Between August 2016 and August 2019 there were 9,150 new dwellings in the supply pipeline in the Newcastle LGA, i.e. new dwellings that have recently been completed, are currently under construction, have been approved for construction, or are under assessment. Around 82% of these dwellings are in infill areas. Based on the supply pipeline, CN has already exceeded the number of dwellings required by 2021 and is also on track to meet the dwelling demand to 2026.

Capacity within the existing land use controls for additional housing

DPIE has estimated that, at mid-2017, the Newcastle Local Environmental Plan 2012 (NLEP 2012) had a theoretical capacity of 60,000 additional dwellings, of which 92% would be in 'infill' areas, and 8% in 'greenfield' areas. This theoretical capacity is over three times the total number of dwellings projected to be required within the LGA by 2041 (19,450 dwellings). However, the actual capacity for housing supply is likely to be lower, due to site-specific constraints, lack of development feasibility and some sites being withheld from development.

Recommendations

A strategic and consistent approach is required for the delivery of future housing in the Newcastle LGA. More specifically, there is a need for policies, land-use provisions and other mechanisms that enable a more diverse mix of housing types that are affordable, sustainable and that meet the diverse needs and preferences of the community. The LHS aims to provide a strategic and consistent approach to housing in the Newcastle LGA.

The following housing priorities have been developed to respond to the key findings and to guide the future of housing in Newcastle:

Housing Priority 1: Maintain and encourage housing supply in the right locations

Housing Priority 2: Diversify housing type and tenure across the LGA to provide for a range of housing needs

Housing Priority 3: Increase the availability of accessible and adaptable housing

Housing Priority 4: Increase the supply of affordable rental housing

Housing Priority 5: Ensure new housing and changes to existing housing reflect the desired future local character

Housing Priority 6: Homes are designed to be ecologically sustainable and to reduce resource requirements through the life cycle of the dwelling.

Introduction

About the Local Housing Strategy

The Local Housing Strategy 2020 (LHS) sets a framework for the provision of housing across the Newcastle Local Government Area (LGA) over the next 20 years.

The LHS is a local response to the housing actions within the Hunter Regional Plan (HRP), Greater Newcastle Metropolitan Plan (GNMP) and the Newcastle Local Strategic Planning Statement (LSPS).

The LHS considers housing in the context of affordability, accessibility and sustainability and will inform a future review of the Newcastle Local Environmental Plan 2012 and Newcastle Development Control Plan 2012.

The LHS:

1. Provides a history of housing supply and the different eras of housing development in Newcastle
2. Identifies the key drivers for housing supply and demand
3. Outlines the 20-year population projections and housing needs for Newcastle
4. Sets the priorities for the provision of housing for the next 20 years
5. Includes an Implementation Plan to achieve these housing priorities.

The LHS is informed by the *Newcastle Housing Needs and Local Character Evidence Report (2019)* and other sources referenced throughout the body of the Strategy. If not referenced otherwise, all figures in this report have come from the *Newcastle Housing Needs and Local Character Evidence Report (2019)*.



Planning for housing during the Coronavirus

At the time of writing, the impacts of the Coronavirus on the Newcastle community and the built environment remain uncertain. Understanding the implications on employment, household incomes and the housing market will be an area for further work in the short to medium term.

As updated data becomes available, it will be used to supplement the findings of the *Newcastle Housing Needs and Local Character Evidence Report (2019)*.

Despite the uncertain circumstances, Housing Priorities for CN will remain the same, including our goal to increase the supply of affordable housing. The Implementation Plan linked to the LHS will be reviewed on an annual basis and will be updated to address the impacts of the Coronavirus on our community when the relevant data becomes available.

Sustainable Development Goals and New Urban Agenda

The City of Newcastle is a United Nations City and has adopted the Sustainable Development Goals (SDGs) and the New Urban Agenda as cornerstones for planning. Achieving the SDGs and the New Urban Agenda requires partnerships between a range of stakeholders, including all levels of government, community, and the private sector. The LHS aligns with and contributes to the realisation of the following SDGs relating to housing:



Consultation Summary






The Council of the City of Newcastle (CN) endorsed the draft Local Housing Strategy 2020 for public exhibition on 23 June 2020. Following Council endorsement, the draft Local Housing Strategy and draft Implementation Plan were placed on public exhibition between 24 August 2020 to 25 September 2020.

Key communications and engagement activities:

A range of approaches and activities were undertaken to promote the public exhibition and invite feedback, including a 'Have Your Say' webpage with information on the draft Strategy and an online survey (completed by 129 participants), as well as an explainer video and a link to the 'House we Build' web-based game developed by the University of Newcastle. Other engagement activities included social media posts, emails to stakeholders and community groups, and online information sessions for stakeholders and the community. These activities included online information sessions to accommodate COVID-19 restrictions. In addition, feedback from the community and stakeholders was sought through the opportunity to write formal submissions.

During the public exhibition a communications campaign was implemented to raise awareness of the draft Strategy and promote the opportunity for community members to provide feedback.

Key communications activities included:

Channel	Description	Reach
 Have Your Say webpage	A dedicated project webpage was created on CN's Have Your Say landing page. A link to this page was also added to CN's Public Exhibitions page. The page aimed to provide information and raise awareness about the draft Local Housing Strategy, and to encourage people to comment on the draft Strategy and Implementation Plan.	690+ visits
 Video explainer	A hand drawn animated explainer video was commissioned by a local creative to assist with increasing engagement.	100+ views
 Social media	The public exhibition was promoted via an unpaid post of CN's Facebook page, Have Your Say Facebook Group and LinkedIn from 24 August to 21 September 2020. The posts intended to raise awareness and encourage people to have their say. A paid digital post was also placed with the Newcastle Herald online.	36,500+ reach
 Newsletters	An e-newsletter was distributed to CN staff and the Newcastle Voice community panel.	3,400+ reach
 Media	A media release was issued on 24 August 2020.	-

Feedback received:

A total of 147 submissions were received by CN during the public exhibition period, including 18 formal submissions and 129 completed surveys.

Overall, feedback was supportive of the draft Strategy and draft Implementation Plan. The following themes were identified as important in submissions and survey responses in regard to housing in the City of Newcastle:

Collaboration between CN, the community, government agencies, industry bodies and Community Housing Providers

Increasing the supply of affordable housing

Diversify housing to cater for the needs of the community

Providing accessible housing for people with disability

Encouraging planning that considers housing needs alongside infrastructure and places of employment.

Achieving higher environmental sustainability standards for housing

Ensuring new housing and renovations reflect desired character

Walkable neighbourhoods with housing located close to local shops, services, and with access to open space, beaches and/or bushland

Considering new sites for residential development

Response

The themes align with the direction set through both the Strategy and Implementation Plan.

Both the Strategy and Implementation Plan were refined to reflect insights provided through submissions, the online survey and discussion with both community and industry members.

Changes to the timing of actions in the Implementation Plan were made to reflect community priorities obtained through the survey.

Submissions provided personal and industry insights on the actions contained in the Implementation Plan that will be considered when the actions are being realised.

Planning Policy and Context

This LHS is set within State and Local Government legislation, strategies, plans and policies (refer to Figure 1).

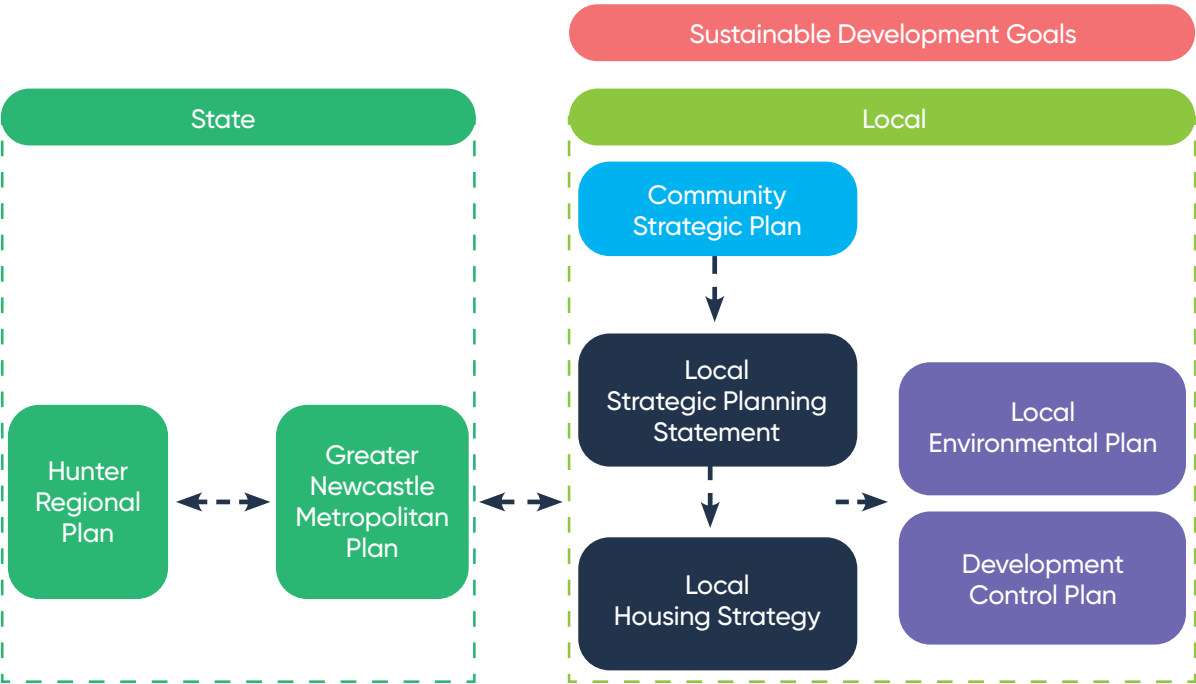


Figure 1: Planning and policy context

State Environmental Planning Policies

State Environmental Planning Policies (SEPPs) are prepared by the State government and address planning matters of State or regional significance. SEPPs override local legislation and can prohibit or allow certain types of development in an area. The following SEPPs influence housing outcomes in CN.

SEPP 65 – Design Quality of Residential Apartment Development and associated Apartment Design Guide

Aims to improve the design of apartments.

Sets minimum design quality principles and standards for apartments, including context and neighbourhood character, built form and scale, density, sustainability, landscaping, amenity, safety, housing diversity and social interaction, and aesthetics.

SEPP 70 – Affordable Housing (Revised Schemes)

Enables councils to prepare and operate affordable housing contribution schemes, i.e. levying contributions from new development for affordable housing.

SEPP Affordable Rental Housing 2009

Applies to boarding houses, secondary dwellings, group homes and other forms of housing.

Aims to improve the provision of lower-cost housing, while providing development concessions to increase their supply.

SEPP Exempt and Complying Development Codes 2008

Identifies development types that do not require a development application.

Aims to make the application process faster, cheaper and more certain.

Sets provisions for different housing codes including the Housing Code, Inland Code, Low-Rise Medium Density Housing Code, Rural Housing Code, Greenfield Housing Code and the Housing Alterations Code.

State Environmental Planning Policy (Three Ports) 2013

Restricts the residential use of land within the Port of Newcastle.

State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004

Provides planning incentives for the provision of housing that meets the needs of seniors and people with a disability.

State Environmental Planning Policy No 9 – Group Homes

Facilitates the establishment of group homes for people with a disability or people who are socially disadvantaged.

Regional

Strategic planning at the local level is guided by the Hunter Regional Plan 2036 (HRP) and the Greater Newcastle Metropolitan Plan 2036 (GNMP). The LHS is a local response to these plans, aligning with the housing objectives and targets of the HRP and GNMP.

Hunter Regional Plan 2036

The Hunter Regional Plan guides land use planning priorities and actions for the Hunter region over the next 20 years. The HRP provides a framework for the preparation of detailed land use plans, development proposals and infrastructure funding decisions at the Metropolitan and local level. The HRP 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.

The specific directions relevant to housing in CN include:

promote housing diversity

create a compact settlement

grow strategic centres and renewal corridors.

The above directions underpin the priorities and actions identified in the LHS.

Greater Newcastle Metropolitan Plan 2036

The GNMP provides a collaborative framework, which comprises strategies and actions that will drive sustainable growth across the five local government areas, including CN, that make up Greater Newcastle.

The GNMP aims to:

create a workforce skilled and ready for the new economy

enhance environment, amenity, and resilience for quality of life

deliver housing close to jobs and services

improve connections to jobs, services and recreation.

Overall, the GNMP aims to create great places across Greater Newcastle, and to deliver an integrated Metropolitan city. The five core elements that will shape Greater Newcastle into a dynamic, liveable and globally competitive Metropolitan city include the:

Metro Heart (Newcastle City Centre)

Metro Core (comprising around 60% of Greater Newcastle's homes and jobs)

Metro Frame (comprising various strategic regional centres)

economic trading hubs (Newcastle Port and Newcastle Airport)

iconic tourist destinations (e.g. National Parks, bushland and waterways).

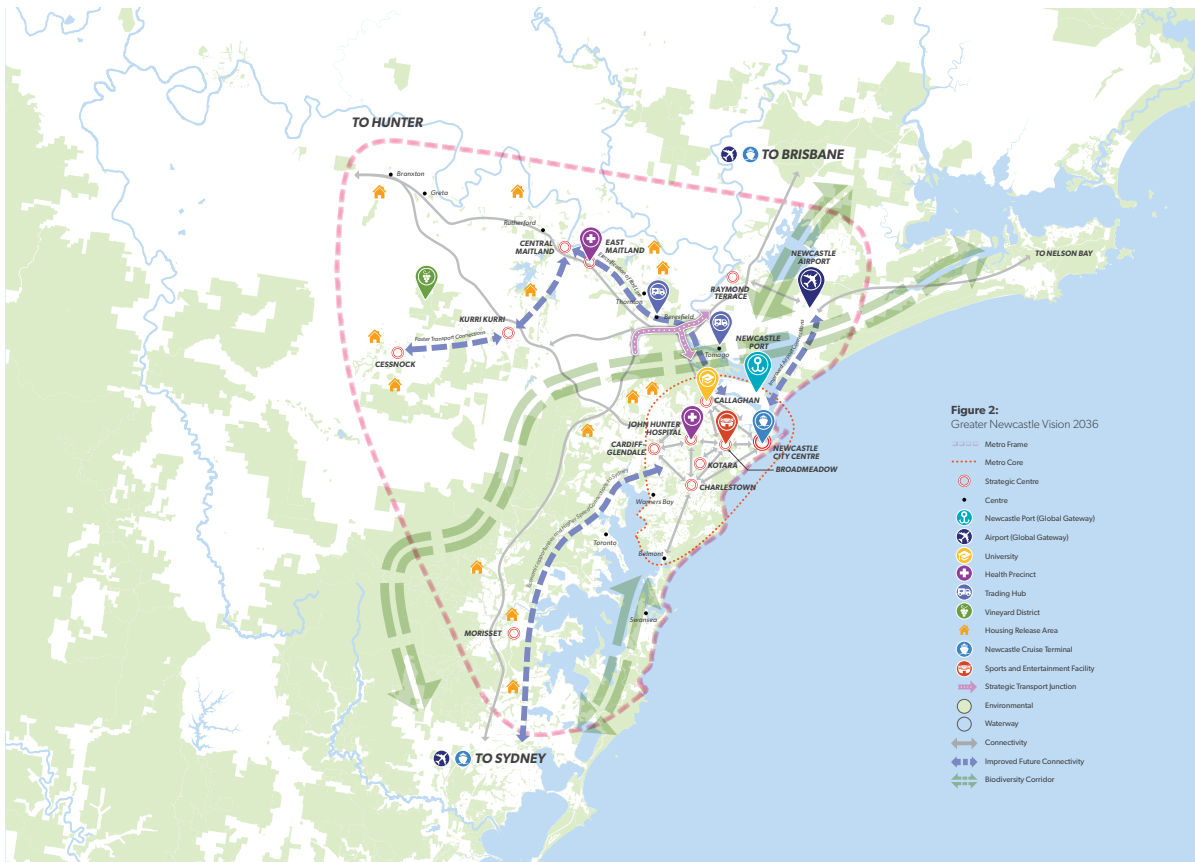


Figure 2: Overview of the Greater Newcastle Metropolitan Area

The main strategies of the GNMP that relate to housing in CN are:

Strategy 16: Prioritise the delivery of infill housing opportunities within existing urban areas

Strategy 17: Unlock housing supply through infrastructure coordination and delivery

Strategy 18: Deliver well-planned rural residential housing areas

Strategy 19: Prepare local strategies to deliver housing.

The GNMP prioritises the provision of additional housing in infill areas, aligned with the provision of infrastructure. The prioritised areas reflect those in the HRP, being Strategic Centres and Urban Renewal Corridors. In addition, the GNMP identifies seven Catalyst Areas within the Newcastle LGA, four of which will provide housing in mixed-use centres. The Catalyst Areas for which housing targets have been set are Newcastle City Centre, Broadmeadow, Callaghan and Kotara.

Local

The LHS also aligns with local plans and strategies, including the Newcastle 2030 Community Strategic Plan and the Newcastle Local Strategic Planning Statement.

Newcastle 2030 Community Strategic Plan

The Newcastle 2030 Community Strategic Plan is a shared community vision to inform actions over the next 10 years. 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."

The LHS implements the following priorities and objectives of the CSP:

Protected Environment

2.1 Greater efficiency in the use of resources

2.2 Our unique natural environment is maintained, enhanced and connected

Inclusive Community

4.1 A welcoming community that cares and looks after each other

4.2 Active and healthy communities with physical, mental and spiritual wellbeing

Liveable built environment

5.1 A built environment that maintains and enhances our sense of identity

5.2 Mixed-use urban villages supported by integrated transport networks

5.3 Greater diversity of quality housing for current and future community needs

5.4 Sustainable infrastructure to support a liveable environment

Smart and Innovative

6.2 A culture that supports and encourages innovation and creativity at all levels

Open and Collaborative Leadership

7.1 Integrated, sustainable long-term planning for Newcastle and the Region

7.2 Considered decision making based on collaborative, transparent and accountable leadership

7.3 Active citizen engagement in local planning and decision-making processes and a shared responsibility for achieving our goals.

Newcastle Local Strategic Planning Statement

The Newcastle Local Strategic Planning Statement (LSPS) will guide our land use planning over the next 20 years.

The LSPS implements priorities from our Community Strategic Plan, Newcastle 2030, and brings together land use planning priorities and actions in other CN adopted strategies.

The LSPS also gives effect to the State government strategic directions for the Hunter region, outlined in the HRP and the GNMP.

The LHS aligns with the planning priorities of the LSPS, of which the following are of relevance to future housing in CN:

Planning Priority 5: Protect and enhance our bushland, waterways and wetlands

Planning Priority 6: Reduce carbon emissions and resource consumption

Planning Priority 7: Plan for climate change and build resilience

Planning Priority 8: Plan for growth and change in Catalyst Areas, Strategic Centres, Urban Renewal Corridors and Housing Release Areas

Planning Priority 9: Sustainable, healthy and inclusive streets, neighbourhoods and local centres

Planning Priority 10: Development responds to the desired local character of our communities

Planning Priority 12: Sustainable, affordable and inclusive housing.

Newcastle Local Environmental Plan 2012

The Newcastle Local Environmental Plan 2012 (NLEP 2012) gives effect to the land use planning vision in the LSPS by setting the legislative controls for land use throughout Newcastle. The NLEP 2012 contains provisions about how land can be used and the types and form of development throughout CN.

Newcastle Development Control Plan 2012

The Newcastle Development Control Plan 2012 (NDCP 2012) provides detailed planning and design guidelines to support the planning controls in the NLEP 2012.

The NDCP 2012 includes general guidelines that apply to all development as well as development-specific and area-specific guidelines. There are, for example, specific controls for single dwellings and other forms of residential accommodation, as well as for Urban Renewal Corridors.

The LSPS and LHS will underpin future changes to the NLEP 2012 and NDCP 2012, which may include changes to land use provisions as outlined in each Strategy's action and implementation plan.



LGA Snapshot

Geographic overview and role of CN regionally, nationally and internationally

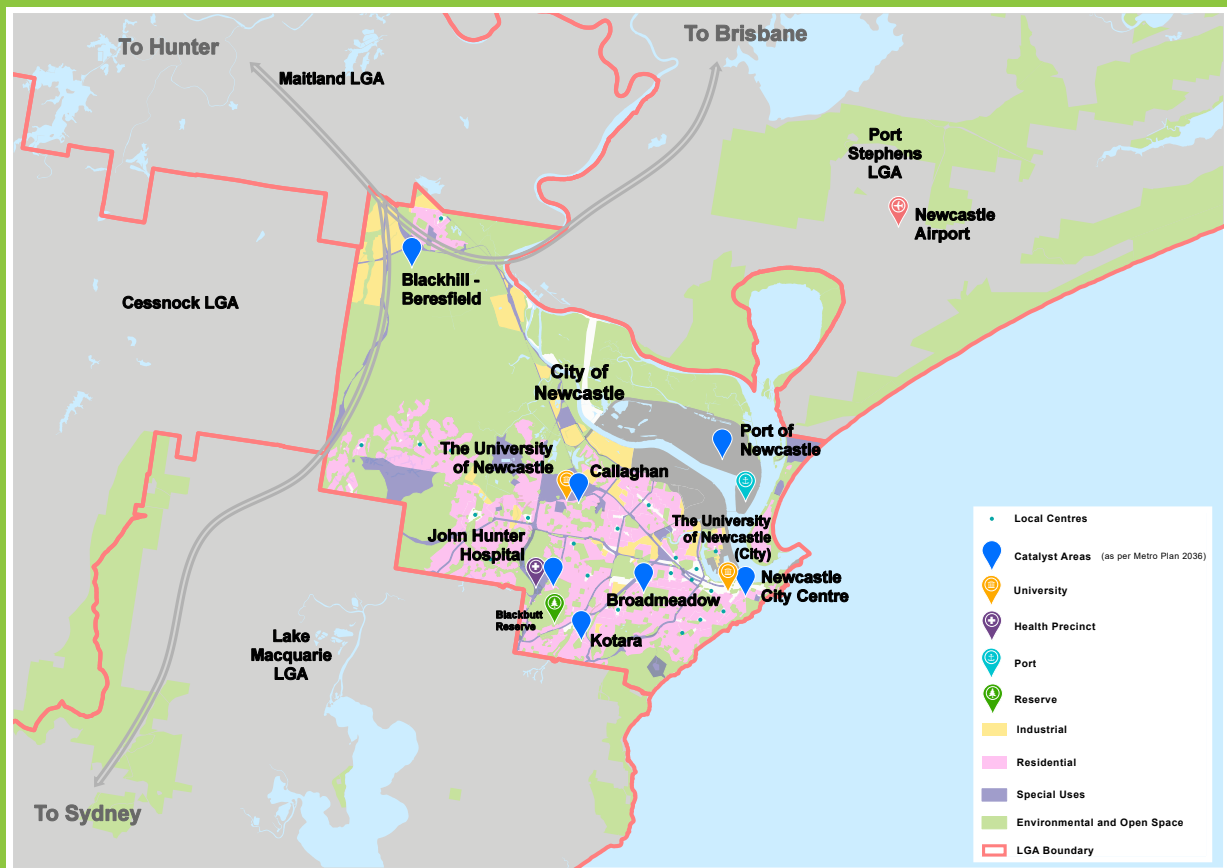


Figure 3: Regional Map

CN has an area of 187km² at the heart of the Hunter Region of NSW, approximately 160km north of Sydney. In terms of population, the Newcastle metropolitan area is the largest regional centre in NSW and the second largest non-capital urban centre in Australia.

CN is the service and administrative centre for the wider Hunter Region and has a major role in the regional economy. The John Hunter Hospital is a major employment centre that provides important services to the community of CN and the wider Hunter Region. CN also has an important manufacturing sector, which supports an estimated annual output of \$4.864 billion.

Furthermore, CN plays an important role nationally and internationally. It is home to the Port of Newcastle, which is a major international export port, and Australia's largest coal export port by volume and a growing multi-purpose cargo hub. CN also comprises world-class research centres, including the University of Newcastle, the CSIRO and the Hunter Medical Research Institute. CN is a key tourist destination with over 4 million visitors per annum due to its natural beauty, access to beaches and conservation areas and CN's unique character and heritage.



Population and housing snapshot

As of 2018, the Newcastle LGA had a population of around 164,100 residents, including 3.5% being of Aboriginal and Torres Strait Islander descent, and 14% of people born overseas.

The median age in CN is 37 years old. There is a higher proportion of young people in CN, compared to the NSW average. However, like other parts of Australia, the population in CN is ageing. The proportion of people of retirement age (65+) will increase from 15% in 2016 to 17% in 2041.

Moreover, 3% of CN's residents are elderly (85 years or over) and are likely to require some level of assistance currently or in the near future. In addition, around 6% of CN's residents have a severe or profound disability and require assistance in their daily lives.

CN's population is growing. Between 2006 and 2018, the population has grown at a rate of around 1% per year, or an average of 1,450 new residents each year. Future projections estimate that CN's population will increase by around 41,150 new people between 2016 and 2041, or around 1,650 people each year.

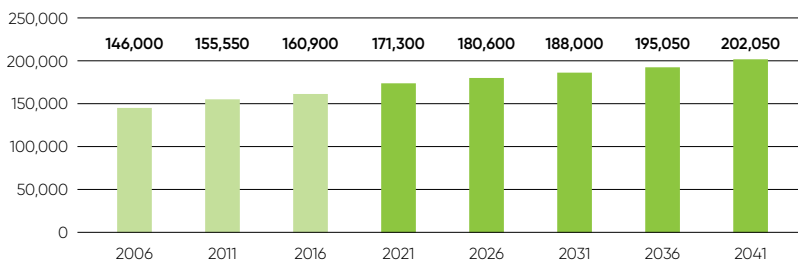


Figure 4: Historical and projected population for the Newcastle LGA (2016-2041)



Socio-Economic Overview

Employment type and participation

In 2016, 55% of CN's residents were employed full-time, 36% were employed part-time, and 7% were unemployed.

CN has a diverse economy offering jobs across a wide range of industries. The healthcare and tertiary education sectors employ the highest number of residents, with around 1 in every 5 residents working in healthcare and social assistance, and 1 in every 10 residents working in education and in retail. Education, healthcare and social assistance industries are growing and continue to provide new employment opportunities.

1 in every 11 residents are attending university or a tertiary institution, compared with 1 in every 20 people in NSW.

66% of CN residents work within CN and 15% in Lake Macquarie. The average work trip length is 15.7km¹. More than 7 of every 10 residents in CN travel to work by car, with less than 1 in 10 residents taking public transport to work.

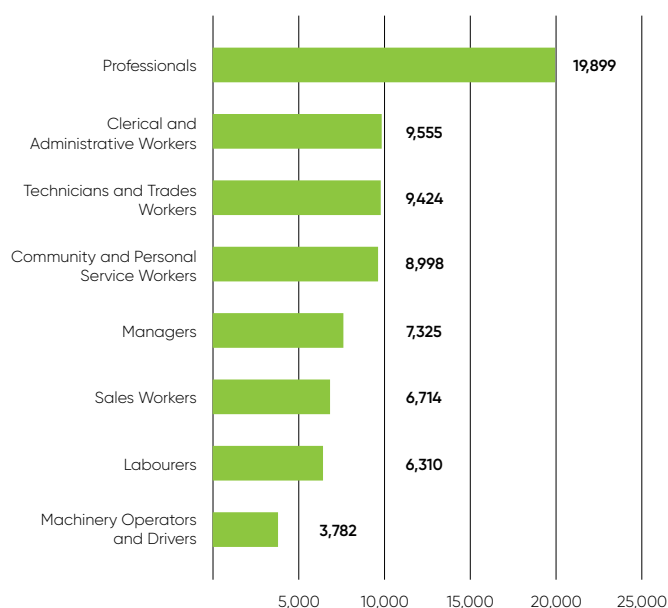


Figure 5: Top occupations of employment for Newcastle LGA residents (2016)

¹ Transport for NSW (2020). Household Travel Survey – Data by LGA. Retrieved 2020, from: <https://www.transport.nsw.gov.au/data-and-research/passenger-travel/surveys/household-travel-survey-hts/household-travel-survey-1>

Household income

As of 2016, households in the Newcastle LGA were earning a median annual income of \$72,700. This is lower than the median annual household income for NSW (\$77,270) but higher than the median annual household income for Regional NSW (\$60,740). Over one third of households earn a very low to low income of less than \$48,590. The proportion of households with low and very low incomes varies widely across the LGA.

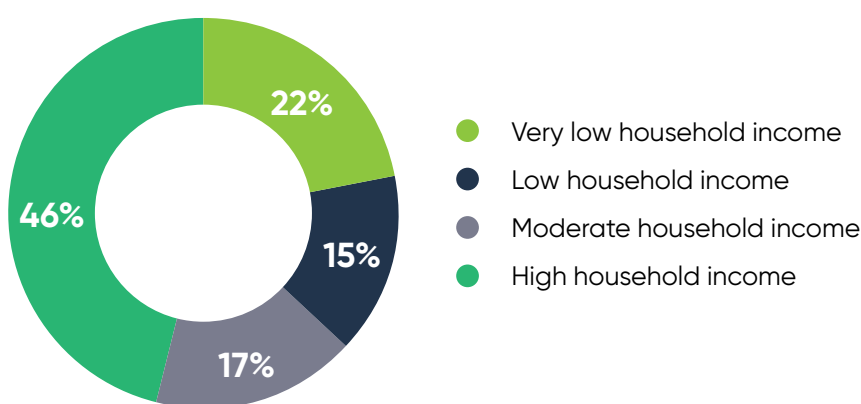


Figure 6: Weekly household income ranges in the Newcastle LGA

Table 1: Distribution of very low to low income households across Newcastle (2016)

Areas with the highest % of very low to low income households	Areas with the middle % of very low to low income households	Areas with the lowest % of very low to low income households
Jesmond	Waratah West	Fletcher-Minni
Waratah	Stockton	New Lambton Heights
Hamilton South-Hamilton East	Hamilton	Merewether Heights
Birmingham Gardens-Callaghan	The Junction	Adamstown Heights
Mayfield	North Lambton	Maryland
Shortland-Sandgate	Mayfield East	Kotara
Beresfield-Tarro	Elmore Vale	Merewether
Bar Beach	Tighes Hill	Rankin Park
Wallsend	Adamstown	NER
Mayfield West	Warabrook	Georgetown
Lambton	Broadmeadow-Hamilton	Maryville-Wickham
Carrington	North	Newcastle-Newcastle East-Newcastle West
Islington	New Lambton	The Hill
		Cooks Hill

Housing stress and household income

Housing stress is widely used as a standard for assessing housing affordability. A household is defined as being under 'housing stress' if they are in the lowest 40% of incomes and are paying more than 30% of their household income on housing.

A very low income is described as those households earning less than 50% of the Regional NSW 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.

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

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

A household on a high income is earning more than 120% of the Regional NSW median income.

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.

Table 2: Household incomes in CN

Income band	%Median income [#]	Annual household income [#]	Weekly household income [#]	Households in CN in each income range [#]	% of households in rental stress [*]
Very low	50% or less	\$30,370 or less	\$580 or less	22%	95%
Low	50%-80%	\$30,370 – \$48,590	\$580 – \$930	15%	73%
Moderate	80%-120%	\$48,590 – \$72,890	\$930 – \$1,400	17%	33%
High	120% or more	\$72,890 or more	\$1,400 or more	46%	-

[#] pg 42 NLHNS, CPS, 2019

^{*}Pg 52 NLHNS, CPS, 2019

The consequences of housing stress can include:

living with unmanageable levels of debt

working longer hours to pay for housing

travelling long distances to work or to access essential services

living in overcrowded or substandard housing

going without essentials such as adequate food, heating, medication or education.

Housing stress

Overall, 13% of households are experiencing 'housing stress'. In 2016, 31% of renting households were experiencing rental stress and 7.3% of households were experiencing mortgage stress. Housing stress varies across the LGA. 6% of households are unable to afford the cost of the private rental market and live in social housing.

Table 3: Distribution of households experiencing rental stress by community profile areas (2016)

Highest % of rental stress (>30%)	Moderate % of rental stress (30-25%)	Lowest % of rental stress (<25%)
Birmingham Gardens-Callaghan (52%)	Warabrook (30%)	Islington (24%)
Jesmond (43%)	Tighes Hill (30%)	Merewether (23%)
NER (42%)	Hamilton (29%)	The Hill (23%)
Shortland-Sandgate (39%)	Bar Beach (28%)	Fletcher-Minmi (21%)
Beresfield-Tarro (38%)	Maryland (28%)	Cooks Hill (21%)
Elmore Vale (35%)	Stockton (27%)	Adamstown Heights (21%)
Wallsend (34%)	Adamstown (27%)	New Lambton Heights (20%)
Rankin Park (33%)	New Lambton (27%)	Newcastle-Newcastle East-Newcastle West (18%)
Waratah West (32%)	Broadmeadow-Hamilton North (27%)	Merewether Heights (0%)
Lambton (32%)	Hamilton South-Hamilton East (26%)	
Mayfield East (32%)	Carrington (26%)	
Mayfield West (32%)	Maryville-Wickham (26%)	
Mayfield (32%)	The Junction (25%)	
Kotara (31%)		
North Lambton (31%)		
Waratah (31%)		
Georgetown (31%)		



Current Housing Stock

Housing types

Detached dwellings currently make up 69% of the housing stock. However, since 2016 around 75% of all buildings approved were attached dwellings signalling a transition in the composition of the housing stock in CN. Medium density housing has been the fastest growing housing type since 2011. An additional 1565 medium density dwellings were constructed between 2011 and 2016 compared with 185 additional detached dwellings. Medium density dwellings now represent 22.5% of the housing stock.

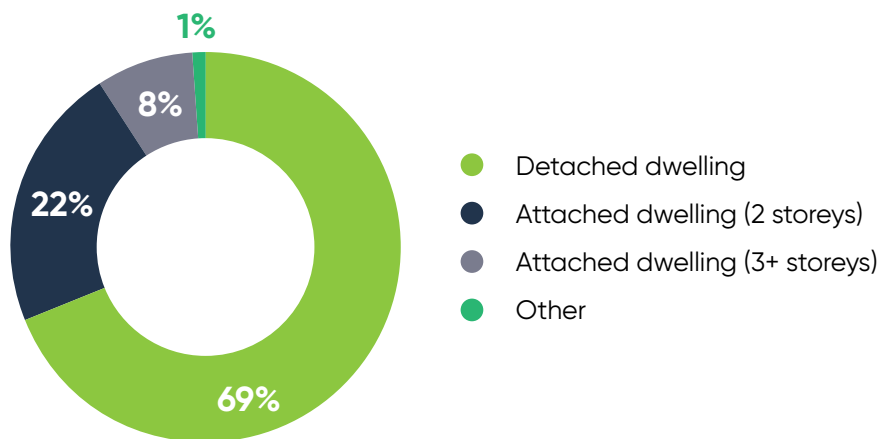


Figure 7: Proportion of dwelling types within the Newcastle LGA (2016)

Despite the predominance of detached dwellings across the LGA, there are some areas where it is not as prevalent. This tends to be in CN's inner suburban areas, particularly those with historic terraces, such as Newcastle East and Cooks Hill. Apartment blocks of three or more storeys are primarily concentrated within the Newcastle City Centre (the Newcastle – Newcastle East – Newcastle West area) and some inner suburban areas. CN's outer suburbs (both infill and greenfield areas) are predominantly low-density detached housing (80% or more) with limited housing diversity.

Table 4: Housing stock in the Newcastle LGA, by community profile area (2016)

Area	No. dwellings	Detached	Attached (1-2)	Attached (3+)
Newcastle-Newcastle East-Newcastle West	2,913	4%	18%	78%
The Hill	1,150	12%	48%	39%
Cooks Hill	2,009	19%	59%	22%
Bar Beach-The Junction	1,100	34%	42%	24%
Maryville-Wickham	1,358	47%	39%	9%
Jesmond	1,269	47%	41%	12%
Hamilton	2,083	58%	34%	4%
Hamilton South-Hamilton East	2,376	59%	20%	21%
Carrington	981	62%	35%	3%
Merewether-Merewether Heights	5,521	63%	28%	9%
Adamstown	2,681	67%	28%	5%
Georgetown-Waratah	2,995	68%	28%	4%
Islington-Tighes Hill	1,726	71%	26%	3%
Mayfield West-Warabrook	1,630	72%	28%	0%
Broadmeadow-Hamilton North	1,249	73%	24%	3%
Lambton	2,227	74%	25%	1%
Mayfield-Mayfield East	5,217	75%	24%	1%
Shortland-Sandgate	1,815	78%	21%	1%
Stockton	1,820	79%	18%	1%
Wallsend	5,538	79%	20%	1%
New Lambton-New Lambton Heights	4,776	80%	19%	1%
Birmingham Gardens-Callaghan	984	82%	14%	4%
Elmore Vale-Rankin Park	2,760	83%	17%	0%
North Lambton	1,411	85%	15%	0%
Waratah West	1,144	89%	10%	1%
Kotara	1,700	90%	10%	0%
Beresfield-Tarro-NER	2,406	91%	7%	2%
Maryland	2,838	92%	8%	0%
Adamstown Heights	1,718	96.5%	3.2%	0.2%
Fletcher-Minmi	1,850	98%	2%	0%

Many households live in three bedroom homes which made up nearly half of CN's housing stock in 2016. In recent years, there has been an increase in the number of one, four and five bedroom homes, and a decrease in the number of two and three bedroom homes.

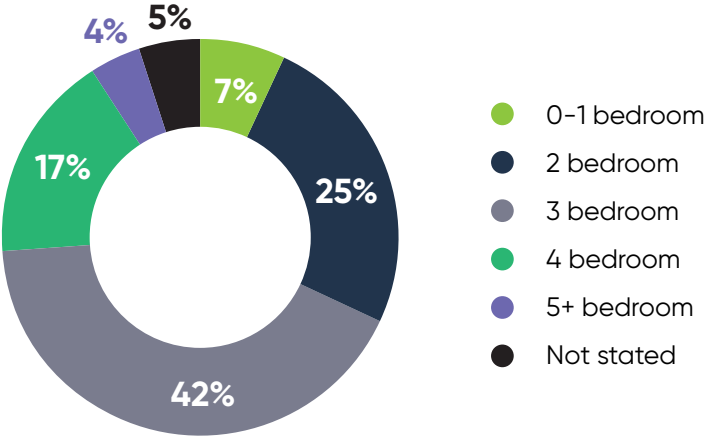


Figure 8: Proportion of dwelling sizes in Newcastle LGA (2016)

Household composition

CN's household composition mostly consists of lone-person households, followed by family households with children, and couple households without children. 11% of households are single parent households. Compared to NSW, CN has a higher proportion of lone-person and group households and a lower proportion of family households with children. Household sizes are expected to shrink over time as more people live alone and as more couples without children become more common household types.

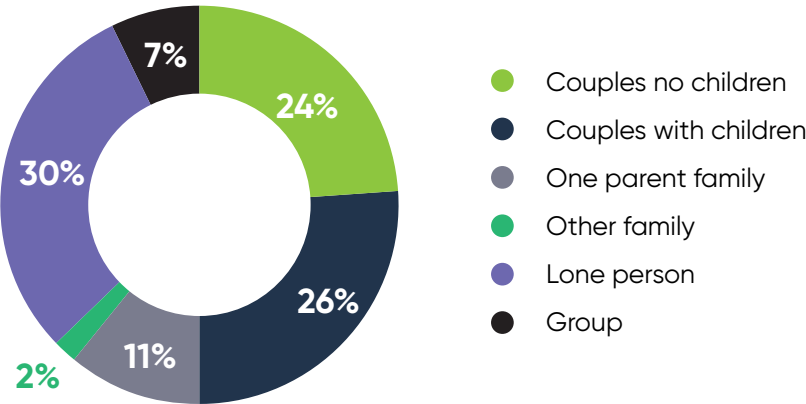


Figure 9: Household types in Newcastle LGA (2016)

Housing tenure

While the cost of housing varies greatly between suburbs, as of 2018 the median weekly rent in CN was \$450 and the median home purchase price was \$580,000. An outcome of the increasing unaffordability of housing between 2011 and 2016 has been the increase in the number of households renting (up by 1.5%).

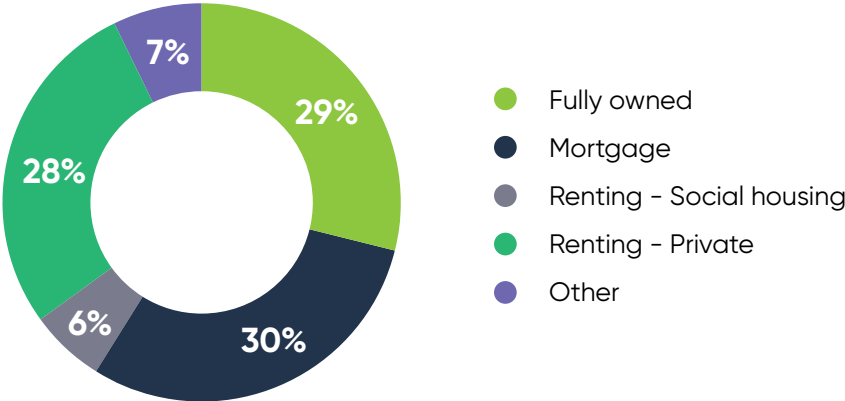


Figure 10: Housing tenure type in Newcastle LGA, 2016

History of Housing in the City of Newcastle

Urban development in CN started in the early 1800s, as a result of the penal and coal mining settlement, and the exploitation of timber, salt and lime. The development of railways in the 1850s along with significant improvements to the port enabled the opening of new coal mines and industrial bases, which led to the establishment of new settlements in different parts of CN. The rise of the steel industry in the early 1900s compensated for the closure of the inner Newcastle collieries, and drove new subdivisions and more intensive development of older residential areas. The most rapid population growth occurred during this time and resulted in a physical merging of the townships to create a major urban centre.

Suburbs/townships that developed during the time between 1800 and 1910, referred to as the Pre-War era, include Adamstown, Broadmeadow, Carrington, Cooks Hill, Georgetown, Hamilton, Hamilton North, Hamilton South, Islington, Jesmond, The Junction, Lambton, New Lambton, North Lambton, Maryville, Mayfield, Mayfield East, Mayfield West, Newcastle East, Stockton, Tighes Hill, Waratah, Wallsend and Wickham.

Housing during the Pre-War era is generally characterised by workers cottages on small lots with minimal setback, as well as Early Victorian and Edwardian styles.



Figure 11: Example of an Early Victorian house, Coomes Consulting (2006)



Figure 12: Example of an Edwardian house, Coomes Consulting (2006)

During the following decades, between 1910 and 1950, referred to as the Inter-War era, the nature of the housing stock changed as several suburbs inspired by the 'garden suburb' concept were developed, including Birmingham Gardens, Beresfield, Hamilton East, Kotara and Tarro. In the 1930s and 1940s, waterside development occurred in Bar Beach and Merewether. In 1938, the amalgamation of the various local municipalities to form the City of Greater Newcastle was a historical landmark, as it established a city-wide approach to planning. During World War II, CN became a key industrial base for the production of a wide range of military items, and as a result, there was a marked increase in the population living in the region. Some of the suburbs that developed shortly after World War II include Adamstown Heights, Hexham, Kooragang, Merewether Heights, New Lambton Heights, Rankin Park, Sandgate, Shortland, The Hill, and Waratah West.

Houses built during this period display various styles, including Californian Bungalows, Spanish Mission, Art Deco and modern architecture.



Figure 13: Example of Californian Bungalow house style, Coomes Consulting (2006)



Figure 15: Example of Art Deco house style, Coomes Consulting (2006)



Figure 14: Example of Spanish Mission house style, Coomes Consulting (2006)



Figure 16: Mid 20th Century housing style, Coomes Consulting (2006)

By the 1970s, changes in manufacturing and technology led to a weakening of employment in the heavy industrial sector, with consequences for the preservation of the built environment. In 1989, CN was struck by an earthquake, which damaged and destroyed a significant part of the city. However, the earthquake also provided the opportunity for the revitalisation of the city and its suburbs.

Some of the suburbs that developed during the last few decades include Black Hill, Elernore Vale, Fletcher, Lambton, Lenaghan, Maryland, Minmi, Wallsend and Warabrook.

Houses built after the 1970s typically display front garages with large setbacks for driveways dominating the street, reflecting the increased use of cars. There has also been an emergence of large houses on large lots with large garages in new subdivisions, also known as 'McMansions'. New medium to high density dwellings are becoming more common. Medium density housing, such as town houses often display a mix of contemporary and traditional architectural features.



Figure 17: Example of contemporary house with large setback, driveway and garage, Coomes Consulting (2006)

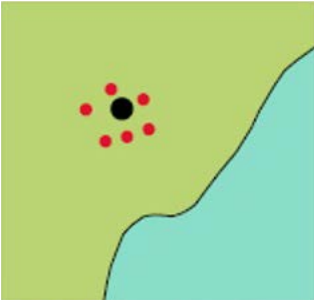


Figure 18: Example of large house on large lot ('McMansion'), Coomes Consulting (2006)

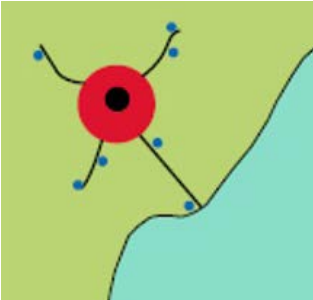


Figure 19: Example of medium density housing mixing contemporary and traditional architectural styles, Coomes Consulting (2006)

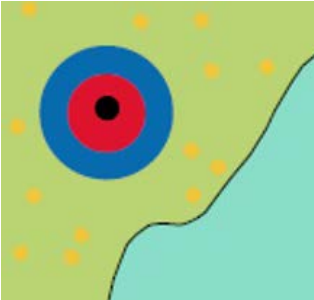
The historic urban development of CN has led to the current urban structure, which is characterised by a series of concentric rings around the original towns. As such, smaller lots and houses from the 1800s are found in and immediately around the town/village centres, and larger lots and houses from the 1900s and 2000s are found further out.



Historic town centres typically developed close to a port or waterway or in Newcastle's case, around mine heads, with smaller villages developing around it.



New settlements develop further out from the historic town centre as the railway developed.



Pockets of newer suburbs occur as the motor vehicle allows individuals to commute further.



Over time, as the population increases so does the demand for more housing, leading to infill and eventually individual town centres, villages and suburbs merging into one city.

Figure 20: Historic urban development of CN, Coomes Consulting (2006)

Urban Structure

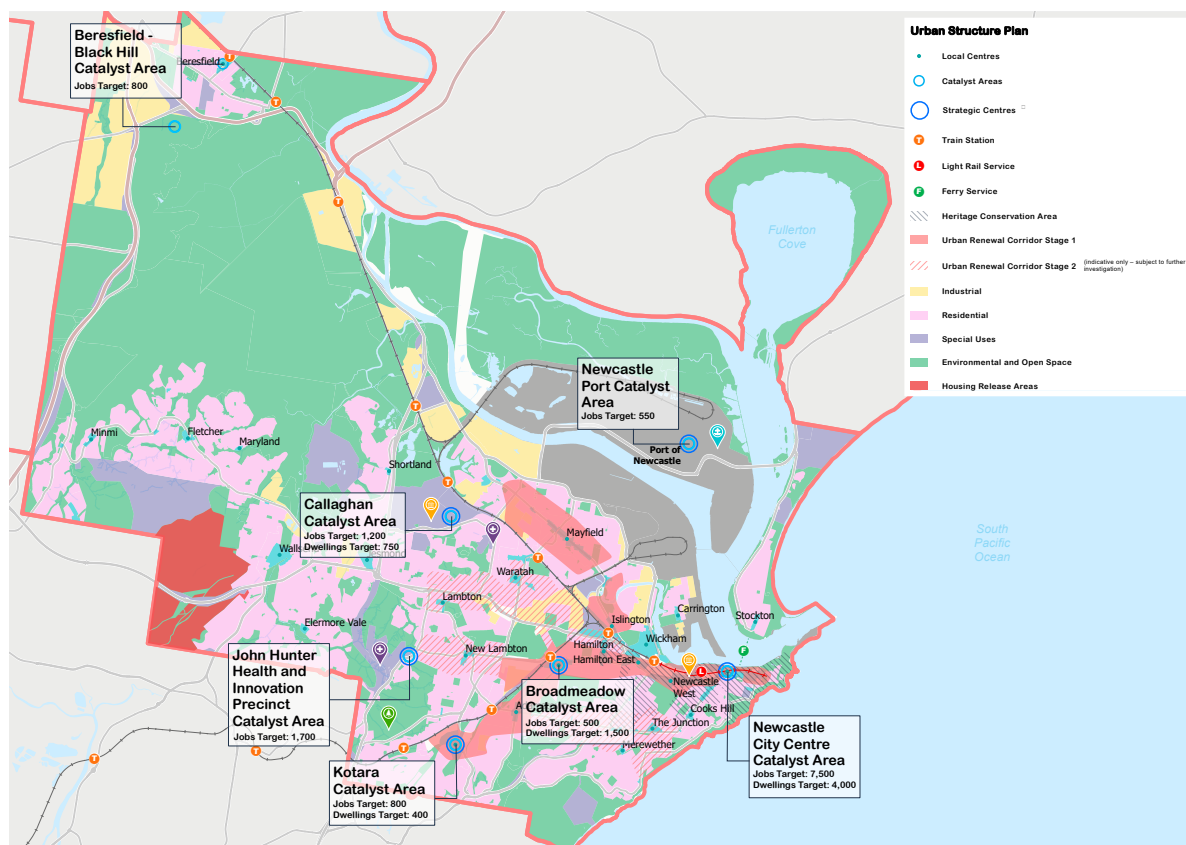


Figure 21: Urban Structure of Newcastle LGA

The current urban structure of CN is a result of historic urban development patterns that have evolved over the past 200–odd years and have included the establishment of a number of Local and Strategic Centres. Future urban development in CN will be focused in and around these Local and Strategic Centres, and in emerging Urban Renewal Corridors, the Housing Release Area and Catalyst Areas.

Urban Renewal Corridors, Housing Release Areas and Catalyst Areas are identified within Council and State Government strategies as a means of targeting areas for housing provision across CN in a strategic and coordinated approach.

Urban Renewal Corridors

Urban Renewal Corridors are based along identified higher-frequency public transport routes and include several major local commercial centres and the areas between centres. Urban Renewal Corridors are identified as either Stage 1 or Stage 2 Corridors, and include:

Stage 1 Urban Renewal Corridors are already reflected in Council's LEP and DCP, and include:

Islington

Mayfield-Tighes Hill

Hamilton

Broadmeadow

Adamstown.

Stage 2 Urban Renewal Corridors are identified in the GNMP as areas for further investigation and planning, and include:

the A15 corridor (Hamilton to Lambton, including Georgetown and Waratah)

Russell Road corridor (Broadmeadow to New Lambton)

Glebe Road corridor (Merewether to The Junction).

Planning of Stage 2 Urban Renewal Corridors will include a range of background studies to identify appropriate land use and density controls to guide future redevelopment and attract private and public investment in delivering the necessary infrastructure to support increased growth.

Housing Release Area

One remaining greenfield site located in the western part of the LGA is identified as a Housing Release Area. This area is anticipated to undergo significant change in the future to accommodate housing and associated services.

Land use and infrastructure planning is required to identify challenges and opportunities and to enable sustainable growth. Some of the key issues to be addressed include:

conserving, protecting and managing significant habitats and areas of high biodiversity value (including riparian zones)

traffic impacts on existing roads and intersections

providing infrastructure and services including new road networks, public recreation, open space, and other community infrastructure

remediating areas of contamination

expanding and improving the Blue and Green Grids

providing affordable rental housing.

Catalyst Areas

Catalyst Areas identified in the GNMP are places of strategic significance, where substantial growth and change is anticipated to deliver new jobs and homes. The State Government is coordinating the planning for Catalyst Areas in collaboration with CN and key agencies through an overarching steering group that reports to the Joint Organisation of Hunter Councils (the JO).

Key Growth Drivers for each of the Catalyst Areas clarify the infrastructure and interventions required to target investment in specific sectors, thereby creating focused clusters of connected and collaborative uses. Each of the Catalyst Areas and corresponding Key Growth Drivers are listed below:

Newcastle City Centre: Regional Centre

Beresfield – Black Hill: Leading freight and logistic hub

Broadmeadow: Nationally significant sport and entertainment precinct

Callaghan: Tertiary education, research and innovation cluster

John Hunter Health and Innovation Precinct: Health cluster centre

Kotara: Transit-oriented mixed-use development

Newcastle Port: Growth and diversification of trade.

Each Catalyst Area has a specific approach to achieving the desired future land use outcomes, targets for new jobs, and in four areas, additional housing targets, as outlined below:

Newcastle City Centre

Dwellings: 4,000

Jobs: 7,750

Broadmeadow:

Dwellings: 1,500

Jobs: 550

Callaghan

Dwellings: 750

Jobs: 1,200

Kotara

Dwellings: 400

Jobs: 800

A Newcastle Catalyst Areas Program Steering Group established by the Hunter and Central Coast Development Corporation supports the work of CN and key NSW government agencies in achieving the vision and outcomes of the Catalyst Areas.





Existing and planned infrastructure

The projected population growth is expected to create demand for a range of new or updated infrastructure including recreational facilities, community and open spaces, local roads, cycle ways, foot paths, and stormwater infrastructure. Local infrastructure contributions are a means available to councils to fund the infrastructure required as a result of this new development. CN collects local infrastructure contributions from residential development to support the provision of appropriate local infrastructure across the LGA.

Other factors that are important to support population growth and new housing include well connected multi-modal transport networks, accessibility to employment opportunities, education and health services, and public open space and other recreational opportunities.

Conservation of environmental values and management of natural hazards

Areas of environmental significance

While significant areas of CN are urbanised, the LGA still has a diversity of natural areas including bushland areas, National Parks, Nature Reserves, beaches, creeks and Ramsar Wetlands. These areas are home to varied ecosystems supporting an array of flora and fauna. Natural areas contribute significantly to the character of CN, providing scenic landscapes that create a sense of place and enhance the wellbeing of Novocastrians, as well as provide important recreational opportunities.

Increased vegetation cover helps to keep the city cool by reducing the urban heat island effect i.e. the absorption and radiation of heat by the built environment. Conserving these natural areas is fundamental to ensuring a sustainable future for CN and protecting its diverse ecosystems, as well as its unique scenic landscapes that contribute to the sense of place and wellbeing.

From an environmental perspective, encouraging new housing in established urban areas (infill development) helps to protect natural areas, including bushland. It also provides a range of other environmental benefits, including lower CO₂ emissions due to higher urban density, which is associated with walkable distance to shops, jobs and services, and better access to public transport, thereby providing the opportunity to reduce car use.

The area nominated for housing release outside the existing urban area represents a small portion of housing provision over the next 20 years. New housing release areas will be subject to comprehensive environmental assessment to ensure that existing biodiversity is protected appropriately in accordance with State legislation.

Natural hazards

CN is at risk from various natural and other hazards including bushfire, flooding, coastal hazards, mine subsidence, and contamination, which can all present challenges to the provision of housing. Housing can still take place in some of these constrained areas subject to the implementation of effective management measures including buffers and planning and engineering controls.

Flooding

Large areas of CN are at risk of flooding from the Hunter River and other tributaries, flash flooding and storm surges. The extent of flooding across CN and the unpredictability of flood patterns makes planning for flooding a complex issue.

Council supports the wise and rational development of flood prone land. However, some flood prone areas are not suitable for certain types of residential development such as seniors housing. Developing in moderate to high flood prone areas can also add substantial costs to development. Flood risk should continue to be considered and managed for areas where people already live, as well as for new housing development.

Bushfire

Bushfire risk is a significant consideration when planning for new housing and urban growth in CN. Areas of bushland and any land within around 100 metres of that bushland are at risk of bushfires. These areas are concentrated in the western part of the LGA and in other bushland pockets including New Lambton, Callaghan and Merewether Heights. It is important to avoid locating high density residential development in these areas to minimise potential risk to human life and property and increase evacuation times in case of emergency. Most other established areas of CN have limited remaining bushland and therefore do not have the same level of bushfire risk.

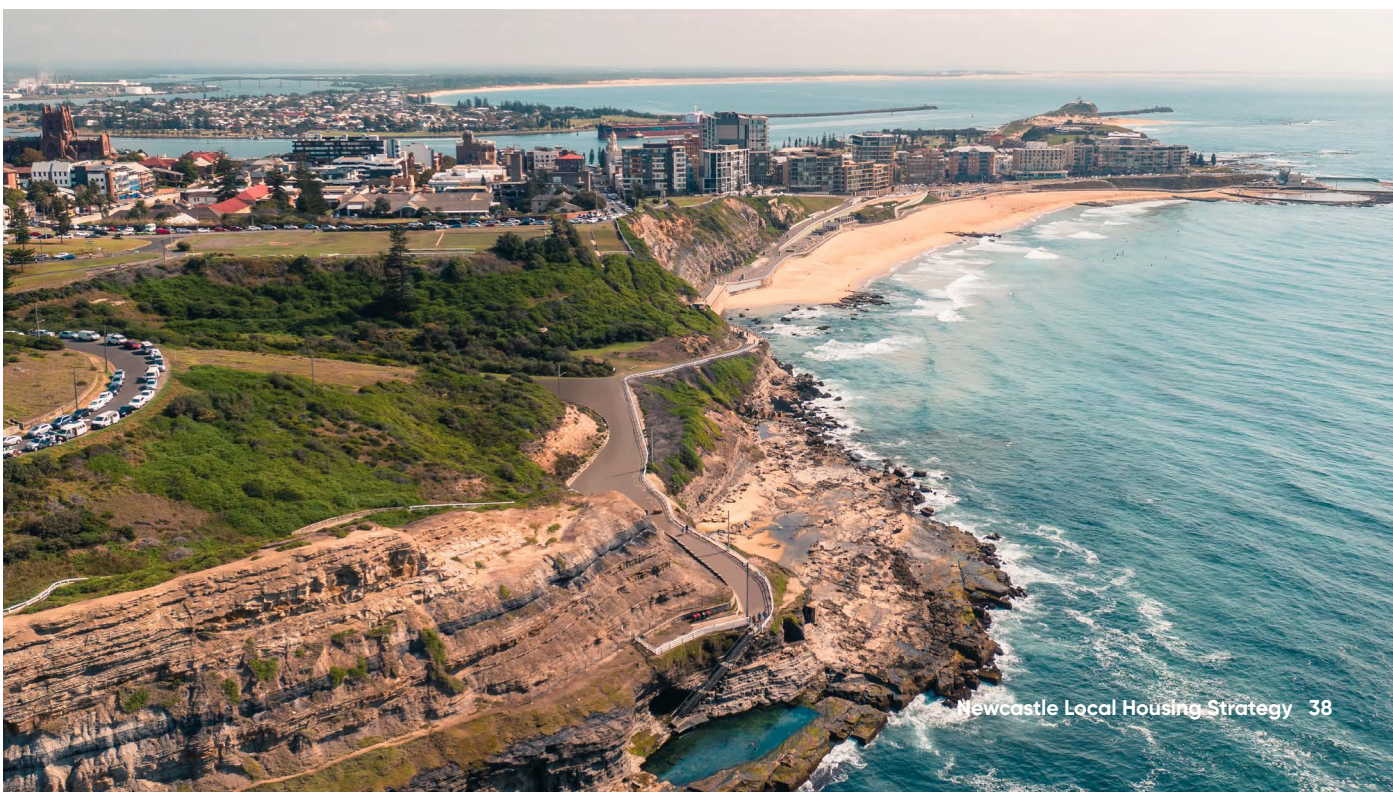
New development on land mapped as bushfire prone is subject to additional planning controls to ensure that the development is designed to minimise bushfire hazard.

Coastal hazards

CN's coastline stretches approximately 14km from Glenrock State Conservation Area in the south to Stockton Beach in the north. The Hunter River divides the coastline into two distinct coastal areas - the coast to the south is characterised by pocket beaches surrounded by tall coastal cliffs, while Stockton Bight located north of the river forms the longest stretch of sandy beach in NSW.

The coastline is subject to various coastal hazards, including cliff instability, beach erosion and recession, as well as coastal inundation and projected sea-level rise. Coastal management is therefore essential to reduce the risks of these hazards to people living on the coast.

CN's coast plays an important role in our sense of local identity and character. Therefore, sustainable management of the coastline is required to retain the environmental, social, cultural and economic values of our coast for the enjoyment of the community now and into the future.



Mine subsidence

CN's coal mining history has left an extensive mosaic of underground coal mines throughout the LGA. In these areas the ground surface is at risk of collapsing (i.e. mine subsidence) due to the compromised structural integrity of remaining supporting infrastructure in historical underground mines. Mine subsidence can affect the feasibility of certain types of residential development across CN, particularly larger development and buildings over three storeys. While development can occur within mine subsidence affected areas, remediation works may be required to stabilise sites. This can be very costly.

Most of the Newcastle LGA is identified as being within a mine subsidence district including the Newcastle City Centre. However, many areas that are planned to accommodate higher density residential development are not affected by mine subsidence and include the Adamstown, Broadmeadow, Islington and Mayfield Urban Renewal Corridors.

Any development in a mine subsidence district needs to be completed in accordance with the requirements of the Subsidence Advisory NSW to help protect homes and buildings from potential subsidence damage.

Contamination

Newcastle has a long history of light and heavy industry, including brickworks, collieries, foundries, gasworks, smelters, steelworks and incinerators, and many sites throughout the LGA are therefore potentially contaminated. The impacts of some activities are only temporary, whereas others carry the risk of leaving an unwanted legacy. In some instances, particularly when the land use has involved hazardous substances, that legacy may pose a risk to humans or the environment, and it may affect the current or future use of the land. However, not all contamination will affect the land in such a way that it cannot be used productively for residential or other purposes. While there are options to develop new housing on potentially contaminated land, the cost implications can make some remediation works prohibitively expensive. The cost of remediation works depends on the site and the level of contamination.

Conservation of Heritage

Newcastle is rich in heritage and history, with many places and sites spread throughout the LGA with known or potential Aboriginal and European heritage significance. This includes Aboriginal objects and places, built and landscape heritage items, as well as archaeological sites and heritage conservation areas.

In order to ensure that CN's heritage sites and places are well managed and protected, all new housing developments on or adjoining heritage listed properties are required to consider the impact of the proposed works on the heritage significance of the building, streetscape, or area, and how these impacts are to be mitigated.

Heritage is a community asset and makes a positive contribution to an area's identity. It provides an insight into our history, past land uses and people and is an attractive point of difference in the market, which can add significant value to development and the City more broadly.

Adaptive re-use and renovation of heritage buildings rather than demolition is more environmentally sustainable as embodied energy is retained and less energy and materials are used during construction. Furthermore, many older buildings constructed of timber, concrete or brick, have lower operational costs owing to better thermal mass, verandahs, window and wall proportions, all of which support passive cooling and heating.

Population and Housing Projections

What are population projections?

Population projections indicate how a population is expected to grow and change over time. Projections are modelled using data from the drivers of population change, which includes births, deaths, and people moving in or out of an area (immigration patterns). Population projections are one tool used to inform housing delivery within the area based on the expected capacity of land currently zoned for residential development.

The main driver of historical population growth has been people moving to CN from other areas of NSW. The areas where people are moving from include the Central Coast, Mid-Coast and Singleton, and further afield from Port Macquarie–Hastings and Sydney’s Northern Beaches.

The most common age group moving to CN are aged between 18 and 24, which may reflect young people arriving from nearby regional areas to pursue tertiary education and employment opportunities.

The most common age group moving out of the LGA are aged between 25 and 34, and are choosing to move to neighbouring Lake Macquarie, Maitland and Cessnock LGAs, all of which are within the same service/employment catchment. This may suggest one motivation for people leaving the LGA is to find affordable housing options, particularly as they start having children.

Net migration in favour of growth within the LGA is expected to remain strong, particularly to 2026.

Natural population changes due to births and deaths within the resident population have historically played a less significant role in overall growth. Population projections indicate a larger contribution from this driver from 2026.

Based on *Newcastle Housing Needs and Local Character Evidence Report* (the Evidence Report), CN’s population is projected to increase by around 41,000 between 2016 and 2041, from 160,900 to 202,050 people. The population is projected to grow faster in the first 10 years (2016–2026) at a rate of around 1,950 people per year, slowing between 2026–2041 to around 1,450 people per year.

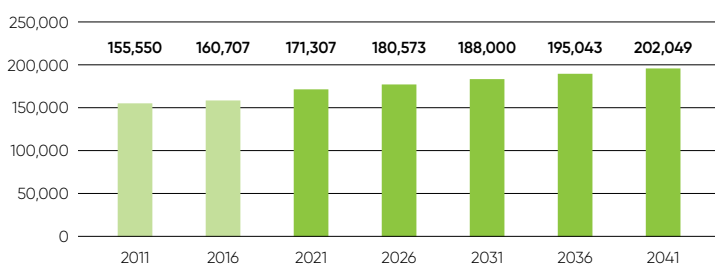


Figure 22: Historical and projected population for the City of Newcastle, source .id Profile

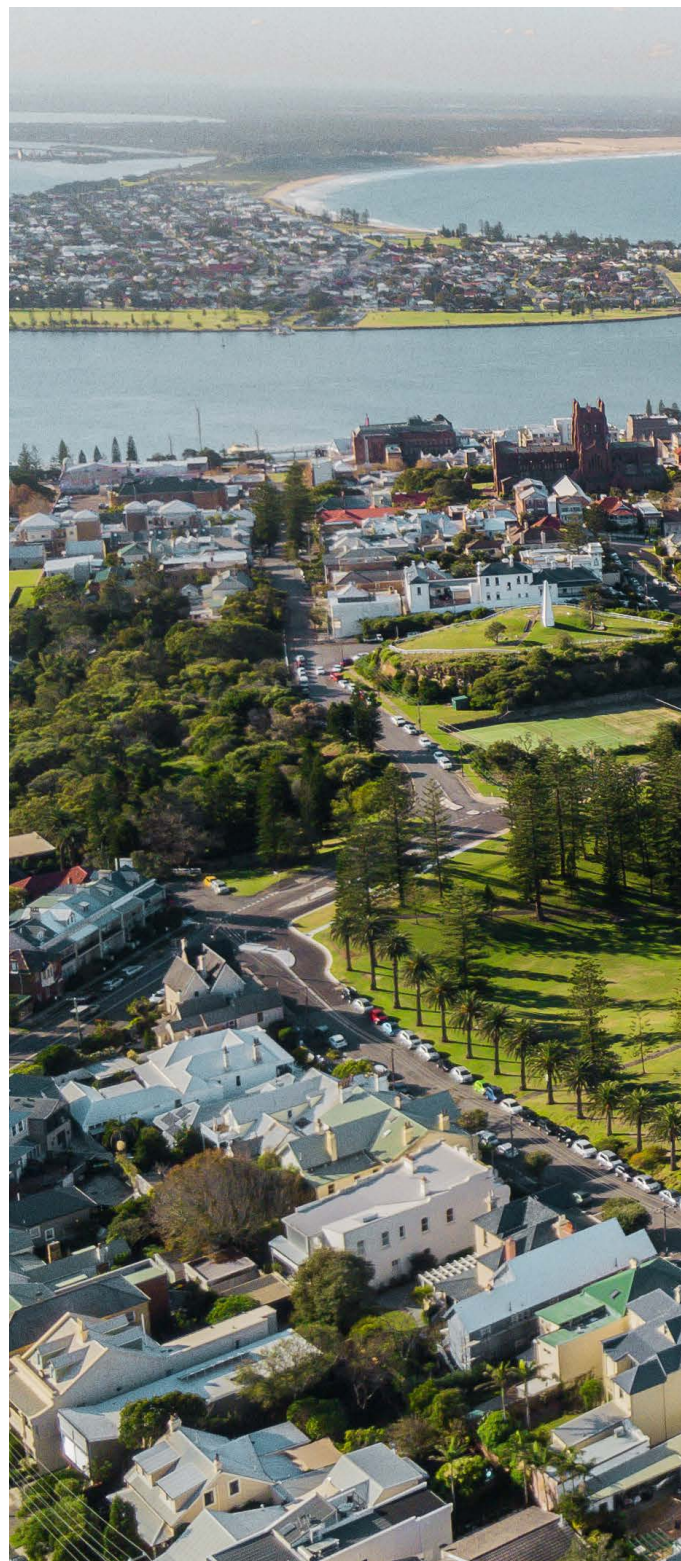
The number of new households is projected to increase by around 18,250 between 2016 and 2041. This growth is partly driven by population growth, but also by a change in household composition due to an increase in retirees and young people living alone or in two person households.

It is estimated that an additional 19,450 new dwellings will be required by 2041 to accommodate the 18,250 new households. More dwellings than households are required to account for the number of dwelling vacancies projected over this period. To accommodate higher levels of population growth between 2016 and 2026, around 875 new dwellings will need to be provided on average each year, slowing to around 710 new dwellings each year between 2026 and 2041.

In contrast, the Greater Newcastle Metropolitan Plan sets a projection for 16,800 dwellings to be delivered in the Newcastle LGA by 2036, from which 60% is to be in infill areas, and 40% in Greenfield areas.

The LHS seeks to meet the projected housing demand of 19,450 new dwellings by 2041 based on the Evidence Report as it is based on the latest available data. While this exceeds the Greater Newcastle Metropolitan Plan projections of 16,800 dwellings by 2036, it takes into account the five additional years of housing provision beyond 2036.

Should recent trends in development consents continue and considering existing planning controls, both projections will be exceeded.





Housing Demand

Housing demand is influenced by a range of factors, including demographics, household composition, household income and housing affordability, as well as housing preferences, such as dwelling features, proximity to shops, services, amenity and employment.

Factors influencing housing demand

The following factors affect specific housing demand in CN.

Housing Preferences and Trade-offs

Based on collective insights from national research into housing preferences of Australians by both the Grattan Institute (2011) and the Australian Housing and Urban Research Institute (2019 a,b), it was found that households generally prefer to live in detached homes with backyards. However, many people cannot afford their ideal house in their preferred location and therefore must make trade-offs between different factors (size, location, etc.). For example, there is an increasing demand for medium density housing, such as low-rise attached dwellings, which is influenced by various factors, including affordability, location and household composition.

Employment

Employment participation and the nature and location of jobs influence housing demand. Whether a person is working, and how often they work, can determine the type of housing they can afford. People are also attracted to cities or towns which have strong employment opportunities, fuelling further demand for new housing.

In CN, the proportion of unemployed and part-time workers has risen since 2011, while the number of full-time workers has declined. This is likely influencing the increased demand for more affordable housing options.

Household Income

Analysing the mix of household incomes across the Newcastle LGA provides an indication of local housing demand. A household's income generally determines what people can pay towards housing and other essential needs and will therefore influence the type and location of housing they choose. Very low to moderate income households have less choice in the type and location of housing that they can afford. Low to moderate income earners are increasingly unable to purchase a home in Newcastle. Low income households are unable to find housing they can afford to rent, particularly detached homes, sought after by families.

Median household income is also used as a measurement tool by the NSW Government to indicate the level of housing stress that a household is likely to experience. Households earning a very low to moderate household income are at higher risk of experiencing housing stress in the private housing market.

There is a high proportion of the population that cannot afford to buy or rent a house, or that is in housing stress, which indicates that there is strong demand for more affordable housing options to be provided locally.

Household Composition

Household composition is another driver of housing demand, even if no population growth occurs. Analysis of how residents form households, and how this is projected to change over time, gives some indication of future demand in relation to the number and size of new dwellings required, relative to population growth.

In CN, household sizes are expected to shrink over time as more people live alone or as a couple without children.

Demographics (specific age groups, people with a disability/special needs)

As people grow from children through to seniors, the type of housing and services that they need, or would otherwise expect, also changes. Analysis of the age structure of CN's population provides important considerations in planning to meet residents' housing needs at various life stages.

Young adults tend to move to CN for tertiary study and employment, driving the demand for rental housing while studying and establishing a career. This makes the availability and affordability of rental accommodation an important consideration in planning for housing.

CN's population is ageing slightly, as with much of Australia. Looking at historical trends, over the last ten years CN has gained a higher proportion of older adults aged 55-64 and early retirees aged 65-69. People over 65 also migrate to Newcastle from other areas in NSW. Over the next 10 years these residents will grow older which means that CN is projected to have a higher proportion of retirees aged 65-79. It is important that the housing needs of this growing cohort are identified and considered in CN planning.

Moreover, 3% of CN's residents are 85 years or over and are likely to need some level of assistance currently or in the near future. In addition, around 6% of CN's residents have a severe or profound disability and require help in their daily lives.

There is a clear need for affordable housing, as well as accessible and adaptable housing to suit the various needs of the population.

Housing supply will need to consider the factors that influence housing demand. Future housing supply should, for example, comprise a range of housing types and tenures to meet the range of preferences and needs of the population. In addition, there is currently a lack of affordable housing, which needs to be addressed in future housing supply.

Housing Supply

Establishing housing supply within the LGA requires an analysis of the following factors.

Amount and type of current and planned housing stock

The housing supply 'pipeline' estimates the number of new dwellings expected to become available in the marketplace. Estimating this supply draws on data to identify where new dwellings have recently been completed, are currently under construction, have been approved for construction, or are under assessment (and so may be constructed, subject to approval).

Analysing 'pipeline' housing supply provides insights as to where, when, and how many new dwellings are likely to be built. Between August 2016 and August 2019 there were 9,150 new dwellings in the supply pipeline in CN. Around 7,500 (82%) of these were in infill areas.

Of the pipeline supply, 4,600 dwellings were completed or under construction in August 2019, which means CN has already exceeded the number of dwellings required by 2021, based on underlying demand.

Based on the unconstructed pipeline supply (e.g. DA approved or under assessment), as of August 2019, CN is also on track to meet the underlying dwelling demand to 2026.

Recent building approvals indicate that the mix of dwelling types in Newcastle LGA is changing, with a much higher proportion of attached dwellings expected to be built compared with detached dwellings. For example, between 2016 and 2019, the number of new attached dwellings has generally been more than double the number of new detached dwellings.

Capacity within the existing land use controls for additional housing

A Dwelling Potential Analysis completed by the Department of Planning, Industry and Environment (DPIE)² estimated that, at mid-2017, the planning controls applying in the Newcastle LGA would allow the market to, in theory, create 60,000 additional dwellings. Of this theoretical capacity:

92% is in 'infill' areas, and 8% in 'greenfield' areas

44% is assumed to be dual occupancy housing in the R2 Low Density Residential zone (see Figure 23 below).

This theoretical capacity is over three times the total number of dwellings projected to be required within the LGA (19,450 dwellings) by 2041, based on underlying demand. However, the actual capacity for housing supply is likely to be lower than the theoretical capacity, due to site-specific constraints, lack of development feasibility and some sites being withheld from development.

² NSW Department of Planning, Industry and Environment (DPIE, formerly DPE) (2017a). Hunter Region UFM Dwelling Potential Analysis: Economics and Land Use Forecasting.

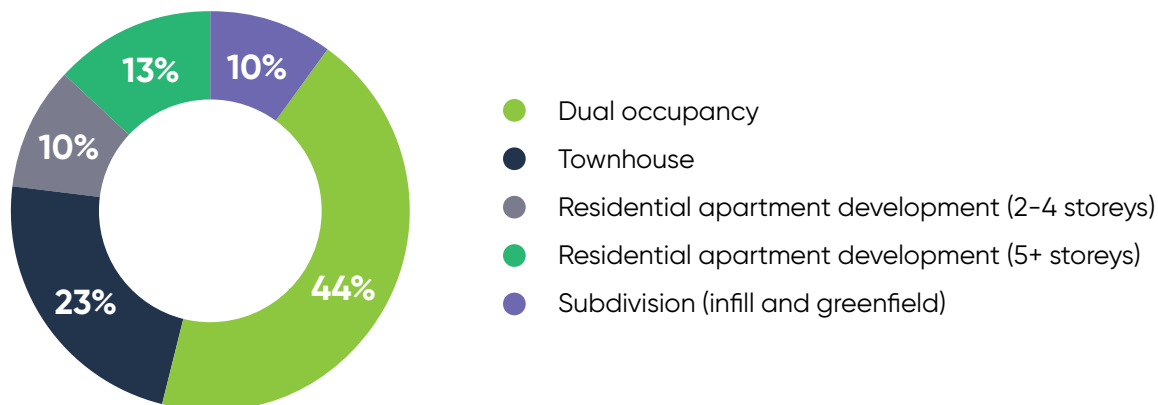


Figure 23: Estimated Dwelling Capacity In The Newcastle LGA By Development Type (2017)

Rental and dwelling vacancies

Rental vacancy rates provide an indication of the available supply of rental housing in the private rental market. Nearly all suburbs across CN have vacancy rates below 3%, indicating an undersupply of rental housing in the private rental market. The only suburbs with a rental vacancy rate above 3% were Newcastle West (6%) and Shortland (3%), which either indicates that these areas have adequate supply of rental housing, or that the available rental housing in these areas is not meeting the needs of the market and people are choosing to rent elsewhere.

The dwelling vacancy rate is the supply of unoccupied housing in an area. 2016 Census data indicates that dwelling vacancy rates for the Newcastle LGA and broader NSW are similar at 9.4% and 9.3% respectively.

Dwellings can be vacant for a range of reasons, including being in poor (e.g. uninhabitable) condition, used as holiday home (personally or through short-term rental arrangements), or temporarily unoccupied whilst being listed for sale/rent.

Dwelling vacancy rates vary across the LGA. Most of the areas with a high rate of vacant dwellings are in the Newcastle City Centre and inner suburbs, which have seen a high rate of apartments constructed over the last five years. This suggests dwelling vacancy rates may, in part, be due to a proportion of stock being listed for sale or rent as new projects are completed.

Housing Vision

All residents of City of Newcastle will have access to housing that meets their needs, in a community where they have access to employment, facilities and services. As we plan for our growing community, what we love about our City will be maintained and improved for future generations.



Housing Priorities

The following section details each housing priority, the objectives of this priority and the rationale for its inclusion. Each housing priority is supported by actions which are detailed in the accompanying Implementation Plan.

1. Maintain and encourage housing supply in the right locations

Objectives

Housing is located in areas with adequate infrastructure, close to jobs, services, public open space and reliable public transport.

The demand for more homes is balanced with the need for more jobs and sustainable economic growth, as well as with the creation of great places, and the retention of important ecological habitat.

Plan for a resilient city by reducing vulnerability to natural hazards at the planning stage.

Rationale

As outlined under 'Housing Supply', the provision of housing over the next 20 years is likely to exceed the projected dwellings required. It is anticipated that current development trends will continue, with dual occupancies in established suburbs and residential apartment development in the City Centre contributing a significant proportion of housing supply. This can be attributed to the capacity under existing housing controls and the high amenity of these areas.

State and Local Government planning priorities identified in Regional, Metropolitan and Local strategic plans set the framework for determining areas for future housing provision. The Greater Newcastle Metropolitan Plan sets a target for 60% of new dwellings in Greater Newcastle Councils being in

infill areas. For the City of Newcastle, this projection is likely to be exceeded given limited availability of land release areas and the opportunities within existing controls and growth areas. This is supported by the fact that 82% of the pipeline supply is in infill areas. The only remaining opportunities in CN for rezoning to accommodate residential subdivisions are the E4 Environmental Living zones at Black Hill, Wallsend and Elernmore Vale.

The Catalyst Areas, Urban Renewal Corridors and Housing Release Area included in the above strategic plans have been identified as the best areas to accommodate additional housing. As these areas grow and change, maintaining and improving their amenity, accessibility and liveability for both current and future residents will be particularly important.

Understanding the vulnerability of these areas to natural hazards will also be a key factor in determining the location and density of future housing, especially with the anticipated increase in occurrence and severity of natural hazards as a result of climate change.

Risk mapping will provide an evidence base for future land use planning decisions at the planning proposal and development application stage, helping improve our resilience and response to natural hazards.

2. Diversify housing type and tenure across the LGA to provide for a range of housing needs

Objective

A mix of dwelling types, tenures and sizes are available to support a diverse community.

Rationale

The demographic profile, household types and housing preferences of our city are continually evolving. Therefore, housing diversity is just as important as providing the volume of housing required over the next 20 years.

Understanding and anticipating these changes is complex given the many influencing factors. This complexity is demonstrated in the case of 'lone person households', which have historically increased the fastest and are projected to continue to increase the fastest, however, the average household size increased between 2006-2016.

The increasing average household size can be partly attributed to the increased cost of housing, which is also the reason why more households are living in rental accommodation or have a mortgage, as opposed to owning property outright.

Investigating options to remove some of the barriers to entry will be an important first step and could include working with housing providers for different sectors, public private partnerships, or amendments to our local planning framework.

The accompanying Evidence Report investigated cohorts that are considered most likely to experience barriers to accessing housing that meets their needs, based on existing evidence. This includes considerations for housing specifically catering for:

Seniors,

Non-seniors with additional care needs; and

Students.

There are other cohorts of the community that were not included in the scope of the Evidence Report but will be considered in a Housing Policy and Affordable Housing Contribution Scheme. These groups include but are not limited to: Aboriginal and Torres Strait Islanders and people seeking temporary, emergency, or supported crisis accommodation.

Seniors housing

CN's population is ageing with around a quarter of our community being over the age of 55. As households age, household sizes typically shrink as children leave the nest, or adverse life events such as bereavement or marital breakdown occurs. Despite this, evidence suggests that many older people prefer to 'age in place' as opposed to downsizing into smaller dwellings or dedicated seniors housing. Areas with the highest proportion of older (aged 65+) couples without children include Rankin Park (19%), Adamstown Heights (17%) and Merewether Heights (15%). These areas are generally characterised by larger dwellings and less diversity of housing type compared to the middle and inner-ring suburbs.

As is shown in Table 5, the number of Independent Living Units is set to double, suggesting that the current supply of dedicated seniors housing appears to be keeping pace with projected growth. However, there may be unmet and growing demand for two and three bedroom attached dwellings, which enable local seniors to 'age in place'. Opportunities are available in the Catalyst Areas and Urban Renewal Corridors for dwellings to meet this need, these areas being well serviced and walkable locations in Newcastle's inner and middle suburbs.

Table 5: Independent Living Units in Retirement Villages

Current		Future		
Existing number (2019)	Advertised Vacancies	Built/ Under Construction (units/rooms)	Approved (units / rooms)	Under assessment (units / rooms)
400	13	410	34	223

Non-seniors with additional care needs

People with a disability or high care needs have a diverse range of highly specialised housing requirements. Broadly speaking, these can range from full-time managed care facilities, group homes, extensively modified housing and housing with minimal or no modifications.

An assessment of the number of beds in specialist disability accommodation and residential care facilities alone is unlikely to confirm if current demand is being met.

Working with disability providers to understand the housing needs across the spectrum of housing types will be critical in meeting the demand for the varied housing required.

Students

Demand for student housing is primarily associated with the University of Newcastle, which draws both domestic and international students. The University’s 2018 Annual Report noted that 23,006 students are enrolled at the University’s Callaghan campus, and 4,542 at the Newcastle City campus³.

The highest concentration of students is found in suburbs around the Callaghan campus and include Birmingham Gardens, Jesmond and Waratah West.

Purpose Built Student Accommodation (PBSA) is most common on campus in Callaghan. PBSA totalled 1,818 in CN in 2018. Given the number of students enrolled, PBSA only makes up a small portion of student’s living arrangements.

The expansion of the University of Newcastle, in addition to Hunter TAFE and the future Nihon University campus, will increase the demand for PBSA, as well as alternative housing options for students.

Student housing needs are difficult to determine as they differ for international and domestic students, local and non-local students, undergraduate and postgraduate students. Those seeking student accommodation are more likely to require additional support services e.g. meal services, security, and staffed facilities. A range of options need to be made available to suit these varying needs, without compromising the costs of renting these accommodation types.

Rental stress is a concern with the average full-time student in regional NSW earning \$20,696 annually, placing many students in the very low income bracket, unable to afford nearly 90% of rental accommodation in CN.

There is more PBSA in the pipeline outside the Callaghan campus, either adjacent to the University or proposed for the city centre. It is anticipated that available beds for students in PBSA could be as high as 2,300 within a few years.

Student housing needs differ from other types of specialised housing (e.g. seniors, disability, single parent households) with an emphasis on function, affordability and accessibility of the housing to public transport, educational institutions and services being the key drivers of design.

³The University of Newcastle Australia (2018). Annual Report 2018, p.14. Retrieved 2020, from: <https://www.newcastle.edu.au/about-uon/our-university/annual-report>

3. Increase the availability of accessible and adaptable housing

Objective

Increased provision of adaptable and accessible housing that adopts universal housing design principles.

Rationale

With an ageing population and approximately 20% of the Australian population living with disability, the need for accessible and adaptable housing is expected to grow. Meeting this demand is challenging as the diversity of disabilities require a range of housing that meets those specific needs.

Accessible and adaptable housing enables people with disability and older people to live with independence and dignity, and age in place. Housing that is universally designed is more versatile and can better meet the changing needs of occupants, including families, over their lifetimes.

Currently, there are no building requirements for houses and townhouses to be accessible or adaptable. For apartment buildings, there are requirements for accessibility to communal areas, but no requirements for apartments themselves to be accessible.

Liveable Housing Australia offers formal accreditation of dwellings that comply with the three performance levels – Silver, Gold and Platinum – outlined in the Liveable Housing Design Guidelines for accessible and adaptable housing.

The Newcastle DCP requires all new medium and high density dwellings, aside from shop top housing to meet the Silver Level of the Liveable Housing Design Guidelines to ensure the future adaptability of the home. Silver Level certification includes basic features that should be included in all new homes and include requirements for an unobstructed path of travel to the dwelling entrance, internal doors wide enough to enable unimpeded movement and reinforced walls in the bathroom to support the later installation of grabrails. These Silver Level features enable someone using a wheelchair to visit the home while also facilitate the retrofitting of a home to meet the changing needs of the occupants.

Despite the benefits, the uptake of the Silver Level Liveable Housing Design Guideline in new dwellings in CN is currently unknown. An audit of recently completed dwellings will be undertaken to understand the uptake of the Guideline. The outcome of this audit will then guide an education program advocating for the benefits of adaptable design in all new dwellings and could lead to changes for our local planning controls.

Adaptable and Accessible Housing

Accessible Housing is any housing that can be used by people either with a disability or transitioning through their life stages.

Adaptable Housing is a dwelling that has been designed to accommodate lifestyle changes without the need to demolish or substantially modify structures. It allows, for example, larger family homes to be eventually divided into two smaller homes, enabling residents to continue living in a familiar environment. It can also be modified to become an accessible house. This type of purpose-built housing is becoming increasingly popular in Australia, supporting more people to continue living independently for longer.



4. Increase the supply of affordable rental housing

Objective

All households will be able to rent a dwelling that meets their needs and costs less than 30% of their gross household income.

Work with DPIE to ensure opportunities for the provision of affordable rental housing are required in the Catalyst Areas.

Rationale

Both rental and private ownership of housing is becoming less affordable and the demand for social and affordable housing is increasing.

Buying a house has become unaffordable for most very low to moderate-income households. In 2017, for example, less than 2% of housing stock was affordable to very low-income households, 5% for low income households, and 25% for moderate income households.

With home ownership beyond the reach of moderate-income households in most suburbs, more households are turning to the rental market. As of 2018, 31% of households renting are experiencing housing stress, particularly those earning a low or very low income⁴. Most moderate-income earners are able to find affordable rental housing.

The impacts of increasing property prices are accentuated by the relatively low average household income in CN. The largest sectors of employment are industries that generally have very low to moderate incomes such as healthcare and social assistance and education and training.

There are currently 132 social and affordable housing (SAH) units in the pipeline, falling substantially short of the assumed underlying demand, in the order of 7,000 to 7,500 units. This is compounded by the possibility of the SAH units in the pipeline not being enough to replace the existing stock being lost. The current social housing stock is typically older and will therefore need to be retrofitted or replaced.

In addition, affordable housing units approved under existing SEPPs are required to be leased at 20% below the market rate for 10 years, with rents subsidised by National Rental Affordability Scheme (NRAS) funding. Funding under the NRAS is expected to be phased out, and no new funding mechanism has been identified that would facilitate the retention of existing stock beyond the 10-year obligation. It is reasonable to assume that as each affordable housing project reaches its ten year obligation, a large proportion of affordable housing units will be converted to full market price private rental dwellings. This indicates a significant supply gap that needs to be addressed.

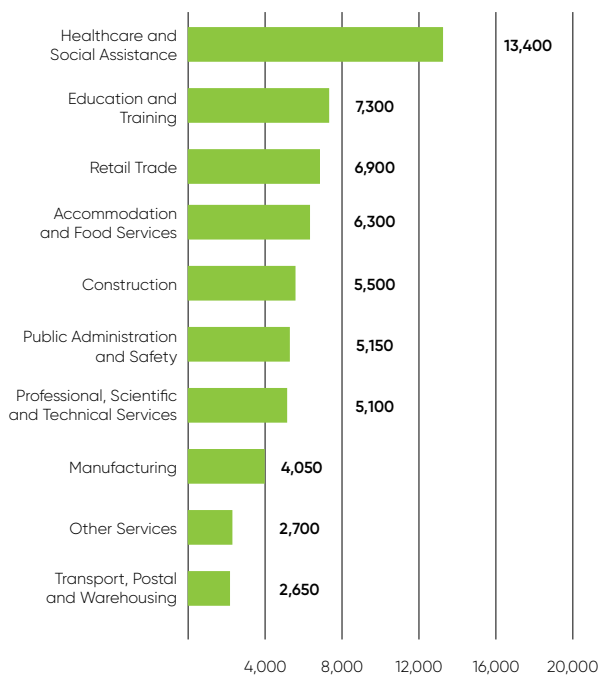


Figure 25: Top industries of employment for Newcastle LGA residents (2016)

⁴ Maclennan et al, 2019, Strengthening Economic Cases for Housing, <https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/>

Households seeking SAH range from single person households to large families, and the accommodation being sought includes government-subsidised emergency shelters to unassisted home ownership. Therefore, a coordinated and effective response must be delivered through cooperation between Council, the State Government, Community Housing Providers and developers.

Locating SAH close to facilities, employment centres and public transport has direct benefits for the occupants, the economy and surrounding community⁵. Therefore, prioritising the provision of SAH in Catalyst Areas and Urban Renewal Corridors is a key priority. This can be achieved through the preparation of an Affordable Housing Contributions Scheme under SEPP 70 which will enable the levying of contributions for the provision of additional affordable housing in Newcastle.

Actions proposed to address the supply of affordable rental housing have been adapted from the Newcastle Affordable Living Plan (2018), amendments made to reflect a change in legislation.

Housing Affordability, Affordable Housing and Public Housing

Housing affordability refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes. Housing is generally considered to be 'affordable' when households that are renting or purchasing can meet their housing costs and still have sufficient income to pay for other basic needs. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of the gross household income (Newcastle Affordable Living Plan, 2018).

Affordable housing refers to housing that is provided with assistance from the NSW or Commonwealth Governments or a Community Housing Provider. It is generally managed like a private rental property, but at below market rates to make property affordable for very low, low or moderate-income households.

Public housing is heavily subsidised, secure and affordable rental housing available to households on a very low to low income that are unable to access suitable housing in the private rental market and that meet certain eligibility criteria.

⁵Maclennan et al, 2019, Strengthening Economic Cases for Housing, <https://cityfutures.be.unsw.edu.au/research/projects/strengthening-economic-cases-housing-productivity-gains-better-housing-outcomes/>

5. Ensure new housing and changes to existing housing reflect the desired future local character of the area

Objective

Develop robust urban planning controls to ensure the desired local character of an area is achieved.

Ensure new housing enhances and contributes to the future character of an area.

Rationale

While the character of an area is distinct and closely tied to our understanding and memories of a place, it is very difficult to define. Character is made up of both the positive and negative attributes of an area and as the city continues to grow, we need to make sure that what is valued is complemented and enhanced by development in areas of change.

The preparation of Local Character Statements will be undertaken in close consultation with our community to help define what contributes to both current and desired future character for different areas with distinct local insights from residents.

There will be a staged approach to the preparation of Local Character Statements, prioritised in areas of distinctive local character that are earmarked for future growth and change.

“Character is what makes a neighbourhood distinctive and is the identity of the place. It encompasses the way a place looks and feels. It is created by a combination of land, people, built environment, history, culture and tradition, both Aboriginal and non-Aboriginal, and it looks at how they interact to create an area’s distinctive character.”

DPIE, 2019

6. Homes are designed to be ecologically sustainable and to reduce the resource requirements through the life cycle of the dwelling

Objectives

Housing has a high level of amenity and supports the health and wellbeing of the community in an energy efficient way.

New housing contributes to our goal of achieving net zero emissions by 2050.

Rationale

Most of the housing stock in CN was built between 1860 and 1970, a period in which building efficiency and sustainability wasn't as advanced as today. The costs associated with heating and cooling housing accounts for up to 50% of Australia's energy use and causes considerable financial burden for households trying to maintain basic levels of comfort.

Increases in climate extremes, such as heatwaves and prolonged periods of drought, place higher demand on our homes and environment. Adopting more resilient and efficient designs and materials will produce housing that will withstand the extremes of our climate.

The technology, materials and awareness of passive design principles available today, allow greatly increased building efficiency at a fraction of the total cost of construction. Good housing design and efficient materials reduce the heating and cooling costs of buildings while maintaining high levels of comfort year-round. This contributes to a more sustainable use of our finite resources.

Further efficiencies and cost savings can be achieved by using locally sourced materials such as sustainably grown Australian timber, the use and re-use of recycled materials and the incorporation of energy, water and waste management initiatives and systems including solar electricity and hot water, rainwater tanks and composting.



Implementation and Monitoring

The LHS complements our Local Strategic Planning Statement and Community Strategic Plan. Future review of the Local Housing Strategy will align with the scheduled review of the Local Strategic Planning Statement and Community Strategic Plan, which is undertaken every four years.

The LHS will be implemented through the actions outlined in the Implementation Plan, which is integrated with CN's other work practices, policies and programs. The Implementation Plan will be reviewed on an annual basis.

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24 July 2020

Housing Strategy Implementation Unit
Land and Housing Corporation
NSW Department of Planning, Industry and Environment
Locked Bag 4009
Ashfield BC, NSW 1800

Email: For lodgement online

Dear Minister,

SUBMISSION TO HOUSING STRATEGY FOR NSW - DISCUSSION PAPER

Thank you for the opportunity to provide feedback on the exhibited *Housing Strategy for NSW - Discussion Paper* aimed at guiding the writing of a whole-of-government, whole-of-state housing strategy for NSW. City of Newcastle (CN) supports the four themes that set the direction for the Discussion Paper and welcomes the setting of State level actions. For the writing of the NSW Housing Strategy CN advocates for the importance of the Local Housing Strategies, and in their absence Local Strategic Planning Statements, written by all Local Governments to develop an informed and relevant Strategy.

The following feedback is provided on the Discussion Paper. The feedback follows the structure of the Discussion Paper, responding to the discussion questions where applicable.

ESTABLISHING A VISION FOR HOUSING IN NSW

What are your views on this vision?

We agree with the draft vision presented in the Discussion Paper as it complements that proposed in the CN Draft Local Housing Strategy:

All residents of City of Newcastle will have access to housing that meets their needs, in a community where they have access to employment, facilities and services. As we plan for our growing community, what we love about our City will be maintained and improved for future generations

What outcomes should a NSW Housing Strategy focus on?

The NSW Housing Strategy should focus on the areas where the State is the only authority, and where the needs are most critical - particularly housing for very low-income earners. This point is elaborated on below under *Housing with improved affordability and stability*.

Regulatory, Planning and Assessment.MBisson/DStarreveld
Phone: (02) 4974 2000

9 September 2020

Housing Policy Team
NSW Department of Planning, Industry and Environment
Electronic submission via NSW Planning Portal

Dear Housing Policy Team

SUBMISSION ON THE HOUSING DIVERSITY SEPP EIE

Thank you for the opportunity to provide feedback on the Explanation of Intended Effect (EIE) for the proposed Housing Diversity SEPP. The City of Newcastle (CN) welcomes reform that will deliver a more responsive and equitable housing framework for communities across the State.

CN supports many of the proposed reforms that address concerns with the existing housing SEPPs particularly relating to boarding houses and seniors housing. This submission highlights matters that require further refinement to ensure the final Housing Diversity SEPP delivers the desired outcomes with due consideration for local housing needs.

The feedback and commentary included herein is based on CN's housing needs identified in the draft Local Housing Strategy (LHS), Local Strategic Planning Statement (LSPS) and extensive experience of the development assessment and regulatory teams. In addition to feedback on the proposed reforms, additional matters are raised in relation to the existing SEPPs that could be incorporated into the overall reform package (Attachment A).

As you are aware, councils are in the process of preparing and finalising Local Housing Strategies that address local housing needs. At the time of writing, CN's draft LHS is on public exhibition and aims to achieve the following housing vision:

All residents of City of Newcastle will have access to housing that meets their needs, in a community where they have access to employment, facilities and services. As we plan for our growing community, what we love about our City will be maintained and improved for future generations.

Importantly, the evidence report that informed the draft LHS highlights significant local need for additional purpose-built student housing (PBSH), affordable rental housing, housing for those with disability and adaptable and accessible housing. These housing groups represent some of the most vulnerable groups within our community, each having specific locational and design requirements that differs across all Local Government Areas.

Given the significance of the reforms it is recommended that an opportunity to review and comment on the draft written instrument be provided to ensure the intended outcomes are achieved through the Housing Diversity SEPP. This submission has been prepared by CN's Urban Planning and Assessment Teams and follows the structure of the EIE.

INTRODUCING NEW HOUSING TYPES

Generally, the introduction of new land uses requires in-depth research and input from practitioners to test their appropriateness in the context of the broader planning system. The

EIE acknowledges the significant issues related to boarding houses and seniors housing (existing defined terms) and demonstrated work with councils to understand the true impacts of these forms of development. A similar, more rigorous approach could be adopted prior to the introduction of the new housing terms including a review of the draft instrument. CN would welcome the opportunity to contribute to any further review and refinement of the proposed land uses.

BUILD-TO-RENT

The proposed introduction of Build-to-rent (BTR) raises several issues that must be addressed. The public benefit of BTR has not been demonstrated sufficiently, the proposed inclusion of BTR in the B3 Commercial Core undermines the State and local strategic framework and its potential impacts on the function and role of the Newcastle City Centre will be irreversible. These matters are further outlined below.

The EIE notes that there is a “growing need for secure, long term rental options” within the current housing market and recommends the introduction of BTR as the proposed remedy. Whilst there may be a place for BTR within the housing mix in the future, many of the uncertainties experienced by renters prior to, and exacerbated by, COVID require immediate reform. In this regard, it is recommended that the State consider reviewing tenancy rights for existing rental stock under the *Residential Tenancies Act 2010* to address issues raised regarding security of tenure, time-restrictions on rent increases and further simplifying the tribunal process.

From a land use perspective, CN objects to the proposed inclusion of BTR within the B3 Commercial Core zone. The EIE fails to demonstrate any benefit nor has it considered the significant implications from its introduction into the B3 zone. Land zoned B3 Commercial Core represents a very small portion of CN and introducing an exclusively residential land use will undermine the aims of the established State and local strategic framework including the Newcastle Urban Renewal Strategy, which recommended removal of residential flat buildings from the B3 Zone, Greater Newcastle Metropolitan Plan (GNMP), Newcastle LSPS (LSPS) and the objectives of the B3 zone.

The GNMP aims to support the “emerging commercial hub” around the Newcastle Interchange as part of the Hunter Region’s ‘Metro Heart’. Specifically, Action 1.2 of the GNMP states (emphasis added):

*1.2 Hunter Development Corporation will reinforce the role of the city centre in providing professional, financial and office employment by **increasing commercial floor space** in the West End to enable growth and relocation of businesses.*

Action 14.2 of the LSPS seeks to implement the recommendations of the Newcastle Employment Lands Strategy (November 2019) prepared by SGS Economics, which highlighted the following for the Newcastle City Centre:

*The **western end should build on its current commercial role through additional commercial development with supporting retail and services. This area should be the primary destination for commercial development in the Newcastle LGA in the foreseeable future. Some retail development is appropriate, this would improve amenity and the competitive offer of the CBD for commercial office development. Retail activity should focus on providing services to local workers and visitors rather than replicating the retail offer in other parts of the City.***

CN has substantial theoretical capacity under NLEP 2012 to accommodate residential land uses in other locations that meet the BTR criteria stated in the EIE, without cannibalising commercial floor space capacity and undermining the established strategic framework.

Importantly, introducing BTR effectively zones the land residential and will erode existing commercial capacity and the ability for agglomeration economies to form for our key sectors, currently health and education, and any emerging industries. Developers will target B3 zoned land due to its lower land value and the proposed 50% reduction on land tax, whilst providing a product that isn't more affordable than other rental properties. Existing commercial buildings, including offices, hotels and serviced apartments, could also be converted to BTR further reducing their commercial function and the capacity for our commercial centres to provide space for knowledge-intensive and emerging industries in the longer term.

The proposed ability to strata BTR buildings after a 15-year period is not supported. Strata subdivision removes the benefits of BTR outlined in the EIE (single ownership, asset recycling, longer term leases) and dislocates long-term residents (min. 3-years) to relocate to an area outside their established community. Also, sites developed for BTR are in "well-located areas, close to transport and amenity" and should continue to be available for subsequent institutional investment. There may be a market for older BTR buildings that require lower investment and provide more affordable rents due to their age relative to other rental stock.

Finally, BTR residents should have access to well-designed apartments with good amenity. BTR is a form of apartment designed for long-term occupancy and should be subject to SEPP65 to provide "a better living environment for the residents". The design considerations under SEPP65 and the Apartment Design Guide (ADG) aim to improve the efficiency of apartments, increase solar access and natural ventilation and the provision of adequate private open space and balconies. These design considerations are now, more than ever, fundamental to personal and community health and wellbeing. The case for requiring compliance with SEPP65 is further strengthened by the proposal to permit future strata subdivision of these buildings.

BTR HOUSING IN REGIONAL AREAS

Over the past six years there has been a general downward trend for vacancy rates in CN. As of July 2020, the vacancy rate for the Hunter Region sits at 0.9%¹ which is well below the REINSW supply/demand benchmark (3%), indicating a lack of adequate supply. This medium-term trend suggests that there is scope to provide additional rental stock with the option to include smaller-scale BTR as part of the rental market.

However, further consideration is required to develop appropriate locational and design guidelines as well as tenancy rights and disposal mechanisms. Finalisation of the LHS and preparation of local character statements provide a great opportunity to dovetail with this work. CN recommends that the Department convene a group of regional councils to discuss the opportunities for smaller scale BTR. As demonstrated above, the extent of the issues related to BTR requires careful consideration and should be developed in consultation with councils in the finalisation and implementation of the LHS. CN welcomes any opportunity to contribute to this work.

BTR RECOMMENDATIONS

- Consider additional reform to the *Residential Tenancies Act 2010* targeted at providing secure, long-term rental options.
- Remove BTR from B3 Commercial Core zoned land.

¹ [Residential Vacancy Rates – Hunter Region](#) – SQM Research (2020)

- BTR must be subject to SEPP65 and the ADG.
- A working group of regional councils be convened to discuss opportunities for smaller scale BTR in regional areas.

PURPOSE-BUILT STUDENT HOUSING

CN welcomes the introduction of Purpose-built student housing (PBSH) as a land use and believes that it could provide a range of direct and indirect benefits. Student housing needs to differ from other forms of specialised housing with an emphasis on function, affordability and accessibility to public transport, educational establishments and adequate services being the key drivers of design and location.

There is significant demand for student housing in CN with the University of Newcastle, attracting both domestic and international students. The future expansion of the University of Newcastle, in addition to Hunter TAFE and the future Nihon University campus, will increase the demand for PBSH, as well as alternative housing options for students in CN.

As previously noted, CN's draft LHS highlights a need for PBSH and it is expected that further work will be commenced following its adoption in determining appropriate locational requirements and design guidelines. PBSH needs clear parameters regarding its function, ownership, ongoing management and occupancy. The proposed development standards recommend a minimum room size of 10m² but notes that there may be scope for smaller rooms where a developer can "demonstrate that a smaller area has adequate internal amenity". This standard should not be discretionary as it will ultimately result in disagreements about what constitutes adequate amenity and shared facilities provided to offset smaller room sizes. It is recommended that the development standard be a minimum without scope for variation.

It is also recommended that SEPP65 apply over a prescribed threshold to ensure that adequate amenity and living standards are maintained for students and appropriate building separation is provided between PBSH buildings.

PBSH RECOMMENDATIONS

- Development standard for room size be a non-discretionary minimum without scope for variation.
- SEPP65 apply to PBSH over a prescribed threshold.

CO-LIVING

The introduction of co-living as a new land use is supported as distinct from the updated boarding house land use. Separating the land use out of the boarding house category better reflects that this is not an 'affordable' housing type but rather another housing option with demand in the current housing market. CN notes that "new generation boarding houses" (co-living) have been a popular form of development often providing accommodation for students and lone-person households.

Under the definition, it is unclear what a 'private room' is being compared to if it is not self-contained with kitchen and bathroom facilities, the alternative could be large open dorm rooms. The term 'rooms' is confusing when it refers concurrently to the 'dwelling' and the 'room size' and should be further clarified. The proposed co-living definition should also specify "total occupancy" based on all occupants, not just "adults".

CO-LIVING RECOMMENDATIONS

- Refine the definition to clarify the term ‘rooms’ and for co-living to refer to total occupancy.

1. SEPP (Affordable Rental Housing) 2009

Boarding houses

The proposed changes to the boarding house definition and accompanying provisions are generally positive and will accurately reflect the intended role of boarding houses in supporting our community. Not mandating their inclusion within the R2 zone is also a positive amendment that allows councils to “opt in” in circumstances where boarding houses may be appropriate in lower density areas with high accessibility. Additional information is requested regarding the timing for councils to decide to include/exclude boarding houses in the R2 zone.

Definition

The inclusion of the affordability requirement for the buildings to be managed by a registered CHP is a significant change and one which CN believes will provide a substantial public benefit.

The definition refers to a ‘building’ and applicants often submit applications consisting of multiple buildings on one site, pointing to the fact that each individual building is a boarding house under the SEPP. While there will often be good design rationale to support multiple buildings, boarding houses are not required to be separated which will cause a range of subsequent issues including poor internal amenity and bulk and scale impacts on adjoining properties. Also, the definition allows a proposal to circumvent controls for communal living rooms (CI30(1)(a) and boarding house manager (CI30(1)e) by splitting the boarding rooms into multiple smaller boarding houses.

Importantly, the recent amendments regarding Clause 30AA are readily negated by any application where each boarding house is a building with only 12 rooms within the R2 zone. It does not limit the number of boarding house ‘buildings’ proposed, as defined, containing 12 rooms each. CN often receives proposals which consist of 20+ boarding rooms over multiple buildings. It is further noted that applicants may also additionally propose to subdivide the land within the R2 zone and then develop for multiple boarding houses.

Furthermore, the reference to “lodgers” in the definition needs to be updated to “residents” and refer to total occupancy, not just adults. In a recent LEC case, it was accepted that lodgers are only those paying for the room and exclude the number of children as occupants². This is unsatisfactory as it has ramifications for the rooms size criteria and the resulting amenity for residents. This should also be a consideration for the co-living definition.

Affordable rental rates mechanism

The proposed alternative affordable requirement by requiring affordable rents for a minimum of 10 years (after which they revert to market rates) is not supported as an alternative to the updated definition. This proposal should be further investigated with CHPs who have well-established approaches to the recycling or divestment of their portfolios whilst considering retaining social connection for longer term residents. Whilst market rates for older stock may provide a more affordable option for certain renters, boarding houses should remain rent-controlled by CHPs and available for households on very low to moderate incomes.

FSR bonus

The proposed change to a percentage-based bonus removes the inconsistencies of the current FSR bonus arrangement. The nominated 20% bonus will result in more modest boarding

² Paragraph 125 of [Buman v Newcastle City Council \[2020\] NSWLEC 132](#)

house development with a bulk and scale more aligned with the surrounding densities and character.

The discrepancy between the recommended 10% by Councils requires further explanation. The viability rationale in the EIE provides no evidence base to indicate how the 20% was determined nor does it outline any case studies to support it. Whilst all forms of affordable housing are supported there have been poor streetscape and amenity outcomes as a result of boarding houses under the current ARHSEPP. Providing a quantum of housing should not come at the expense of quality outcomes in the built environment.

LHC boarding houses

Furthermore, it is noted that whilst boarding houses will no longer be mandated in the R2 zone they will still be permissible when developed by or on behalf of LHC on Government-owned land up to a maximum of 12 rooms.

Additional feedback on the existing ARHSEPP provisions for boarding houses has also been prepared and should form part of this reform package (Attachment A).

Group homes

The proposed approval pathway for the conversion of existing dwellings into group homes should be further detailed. The EIE implies that it may be possible to convert existing dwellings into group homes as exempt development. At the very least, this should be complying development to ensure that the group home conversions satisfy minimum requirements in line with the needs of residents. It is recommended that Aged and Community Services Australia be consulted in developing appropriate standards and an approval pathway.

Amendment of Part 3

The proposed amendments to Part 3 of the ARHSEPP are supported, albeit long overdue. The ability for councils to levy contributions to offset the loss of existing affordable rental housing is a valuable mechanism to provide alternative affordable accommodation. However, it is noted there is no requirement for replacement accommodation to be provided within the same area resulting in displacement of residents from their established community. It is recommended that provisions be included requiring that alternative accommodation or replacement affordable rental housing be provided within their established support networks and communities.

Removing the 28 January 2000 date, clarifying where the burden of proof lies in demonstrating the low-rental status of buildings and nominating the 5-year period prior to lodgement will simplify the evidence gathering and assessment process. Importantly, the definition for 'low-rental dwelling' will need to be explicit regarding the trigger within the 5-year period. Based on the wording in the EIE it appears that "low-rental at any time within the 5 years preceding the lodgement" would include the rents falling below the median for a single quarter. CN requests that this be clarified either within the definition or in an update to the accompanying guidelines.

Secondary dwellings

CN has no land zoned rural, however, the following comments are provided on the current provisions for secondary dwellings.

The use of 'total floor area' under Clause 22(3)(b) often leads to debate as it is not defined and is different from 'gross floor area'. The inconsistencies are further exacerbated by the complying development controls addressing 'floor area', making it unclear when an assessment can rely on the terms within the schedule. In some instances, secondary dwellings will include carports, decks and awnings which contributes to overall density and the provision of adequate landscaping and setbacks. This matter should be addressed within the update to the provisions to provide consistency in calculating floor space and managing the overall bulk and scale of secondary dwellings.

Delivery of social housing

The expedited delivery of social housing is supported by CN, particularly considering the significant need across Australia to tackle homelessness and housing stress amongst very low and low-income households. The Australian Housing and Urban Research Institute (AHURI) identifies a need for 727,300 additional social housing dwellings over the next 20 years³. Many of the benefits associated with social housing include “preventing homelessness, protection from domestic violence, social inclusion, [and] educational attainment” and that it should be viewed as a form of social infrastructure⁴.

As such, the proposal to promote partnerships between NSW LAHC and other social housing providers to deliver integrated development, comprising private, affordable and social housing, is supported. Further consideration should be given to other examples of development that provides a mix of tenure and subsidised housing and whether there is evidence that a certain mix of housing types within the same development provides better social outcomes in the longer term.

Additional details are required regarding the ongoing management of these buildings, particularly with a mix of public and private ownership within a single building.

Self-assessment/approval provisions

As noted above, the significant need and public benefit from the delivery of social housing is one of the critical housing issues facing the country. Therefore, the proposed provisions to expand the type and number of dwellings (8.5m and under) that LAHC can self-assess from 20 to 60 is supported provided the updated urban design guidelines to be prepared require consideration of local character and context. The guidelines should require consideration of both existing and desired future character as expressed in the zone objectives of the LEP, and the priorities and actions of the LSPS and LHS. It is requested that councils be provided with an opportunity to review and provide feedback on the guidelines.

2. SEPP (Housing for Seniors or People with a Disability) 2004

Update Schedule 1

The current wording under Schedule 1 – ‘Environmentally sensitive land’ should be retained as it is intentionally broad to risk the development of seniors housing proposals on sensitive or constrained land. However, further consideration should be given to the term ‘coastal protection’ and whether it captures all terms used under the SEPP (Coastal Management) 2018, as not all areas should be excluded for seniors housing.

Location and access to facilities provisions

CN supports the update to the location and access to facilities provisions, however, the minimum services required needs to be clarified. The availability of medical and other support services is especially important for resident wellbeing many of which are provided including those provided ‘on-site’. The SEPP could account for the transition to certain on-line services and telehealth, so there may be an emerging need for NBN availability to rooms, in amongst others, as a criterion for “access” moving forward.

Another important consideration is the capacity for local commercial and medical services to adequately service residents. For example, 2000 aged care residents relying on one GP in a small commercial centre would appear to be inappropriate. Additional requirements could be included for applicants to demonstrate that local services are capable of adequately servicing residents or that supplementary on-site services are provided to take the load off local services that are at or over capacity.

³ [‘Social housing as infrastructure: rationale, prioritisation and investment pathway’](#) – AHURI, 2019

⁴ [‘The case for social housing as infrastructure’](#) – AHURI, 2019

Site Compatibility Certificates (SCC)

The proposed extension for the validity of SCCs to five years is supported, acknowledging the scale and complexity of DAs for seniors housing development. However, it would be helpful to understand how far progressed the assessment process has been for DAs that have had an SCC lapse and the reasons for the delay. The delays experienced in assessment timing may be attributed to a poorly resolved scheme or an incomplete application with unsatisfactory DA documentation.

CN notes that whilst the extra time afforded is consistent with SCCs for the development of RFBs by public authorities or social housing providers, there needs to be provision for a requirement to lodge a DA within a reasonable period following issue of a SCC.

Registered clubs

The EIE notes the intention to clarify the conditions relating to the proposed inclusion of a registered club as a component of senior's housing development. This requirement is supported as the full extent of the development, including traffic generating development such as registered clubs, be included for consideration by councils at SCC stage.

Broader consideration should be given to reducing the scale of on-site registered clubs and requiring that they remain part of the site. In this regard, the subdivision provisions and/or the ability to subdivide off registered clubs should not be permitted. The SEPP appears to provide a mechanism for the development of standalone clubs where they should remain an ancillary use to a senior's development.

Parking concessions

The proposed clarification of parking concessions seems reasonable, provided that a seniors housing development satisfies the accessibility requirements stipulated in the SEPP. However, it is noted that demand for private vehicle usage will remain for a number of residents and the new LAHC development model is untested and therefore CN cautions providing unfettered flexibility in the provision of on-site car parking.

We would be happy to elaborate on our submission. Should you have any questions, please contact Dan Starreveld, Senior Urban Planner on 4974 2964 or email dstarreveld@ncc.nsw.gov.au.

Yours faithfully



Michelle Bisson
MANAGER GOVERNANCE

Attachment A – Additional feedback on existing SEPPs

Attachment A – Additional Feedback on existing SEPPs

SEPP (Affordable Rental Housing) 2009

Clause	Feedback
<p>Cl4 & 29(2)e) Parking and “Accessible Area”</p>	<p>Concerns are raised regarding the extent of parking provided for boarding houses based on the <i>accessible area</i> definition. The context of the accessible area within SEPP(ARH) may be appropriate within Sydney (e.g. inner or middle ‘ring’ suburbs) where public transport is more developed and / or retail / commercial facilities are more likely to be within a reasonable walking distance.</p> <p>In areas within the outer ring or away from Sydney (e.g. Newcastle), the <i>accessible area</i> definition may be technically met by a proposal but doesn’t generally meet the transport needs of residents. While meeting the <i>accessible area</i> definition may allow access to one desired location/element such as university, employment and retail / commercial services, it often leaves residents needing other alternatives to access all intended locations.</p> <p>Typically, this results in boarding house sites having many more cars, resulting in unreasonable on-street parking impacts where residents can afford the options (e.g. often students). Alternatively, residents may need to rely on multiple bus trips or walk long distances. It is noted that the parking rate change for non-social providers housing is a positive step in this respect.</p>
<p>Cl 4 Social Housing Provider</p>	<p>Within the definition subclause c) and g) should be provided more clarity to avoid debate.</p>
<p>Cl 25/Cl30(1)a)</p>	<p>The <i>communal living room</i> definition clearly infers a level of amenity for future residents as an intention and is a mandatory component for a boarding house with more than 5 rooms. Nothing within the SEPP details the quality or especially size of the facilities(s) – there is no scaling of the communal room based on the size of the boarding house. The reference to usability is that a communal room be ‘available to all lodgers’ – this has been found to be insufficient in the LEC to achieve real increases in the size of communal rooms.</p> <p>While the clauses may be appropriate for boarding houses of 5-10 rooms, this becomes increasingly problematic once the size of the development increases (e.g. 20 or more rooms) – especially when the boarding rooms have no or limited kitchen/bathrooms facilities.</p> <p>It is suggested that the <i>communal living room</i> criteria be made scalable to the size of the development (e.g. the size of the communal room should increase as the number of rooms increase). Additionally, the size of the communal living room(s) could be differentiated based on whether the boarding rooms are self-contained or not – larger minimum requirements for <i>communal living rooms</i> where the boarding rooms have no or limited facilities.</p>
<p>Cl 29(b) – Front Setback Landscape Area</p>	<p>This subclause needs to be further developed regarding minimum requirements. It is suggested that the clause needs to:</p>

Clause	Feedback
	<p>i) where there is a front setback required in the zone/area (e.g. existing building line), that the boarding house complies with the setback and that it be appropriately landscaped, OR</p> <p>ii) where there isn't a front setback required, a boarding house may be at zero/near zero setback (i.e. needs to address what's appropriate to be located at ground floor at zero setback – not boarding rooms, maybe communal living area or mixed use boarding house with commercial premises at ground floor.</p> <p>This clause should be clear that the front setback can't be used for the landscape area for the 'residents' open space etc.</p>
CI29 c) – Solar Access	<p>This is potentially a very limited test as the <i>communal living room</i> does not have an area requirement and hence this clause could be met by one window achieving the numerical criteria. Additionally, none of the boarding rooms are required to achieve numerical solar access – this should place greater emphasis on the communal living room having adequate solar access.</p>
CI29 d) – Private Open Space	<p>The private open space needs to be positioned to achieve at least 2 hours of sunlight on 21 June between 9am and 3pm. What is the <i>private open space</i> – it is undefined and as a result, applications have been received proposing covered areas with walls on 2-3 sides. Other than the possible landscaping at 29c) above, there does not appear to be any requirement for landscaping.</p> <p>The private open space is not scalable to the size of the development – it is static at 20m²/ 3 metres wide regardless of 5 boarding rooms or 50 rooms. This is especially onerous where the proposal is a large boarding house development with relatively small rooms (no individual facilities) and proposed <i>communal living room</i> are also undersized.</p> <p>Also, manager's open space should include solar access and design/position requirements (e.g. should be located directly accessible from the proposed managers accommodation).</p>
CI29 e) Parking	<p>See comments above discussing <i>accessible area</i> definition.</p>
CI 29 f) vs CI30 c)	<p>Lodgers and Room Sizes. The SEPP internally appears to be somewhat inconsistent or contradictory. The language used most of the time is 'lodger' but at CI30c) the reference is 'adult lodger'. This leads to confusion regarding the desired occupancy and outcome. Specifically, the question arises regarding adult vs children within boarding houses proposals in terms of rooms sizes, facilities, access to open space, separate toilets (or overall design etc.).</p> <p>The amenity of future residents is a concern (especially if rooms are not self-contained and potentially crowded). There is also the issue of separation of non-related adults from children. Considering that</p>

Clause	Feedback
	at times residents of boarding houses can be from vulnerable groups, the potential conflicts should be better addressed.
CI30(1)(b)	At times proposals will have the full 25m ² plus a separate bathroom and relatively large kitchen towards 35m ² (size of a studio / bedsit / small apartment). While there is nothing wrong with this per se – these designs are typically more aimed at providing small dwellings than boarding rooms and avoiding legislation such as SEPP 65 and the ADG.
CL30(1) (b) vs 30(1)e)	There needs to be clarity regarding the boarding house manager. Additionally, subclause e) refers to boarding room or dwelling for the site manager – it needs to be clarified that this is not subject to the 25m ² limit (reference to dwelling certainly infers that the boarding house manager is excluded).
CL 30(1)h) vs 29(2)e)	It is queried why bicycle and motorcycle parking is a development standard, yet car parking is a 'do not refuse clause'. Potentially they should be the same one way or another.
CI 30A – Character 'tests'	<p>The introduction of Clause 30A to the SEPP is positive, although further controls need to be developed within the other clauses to assist in this respect.</p> <p>Applicants attempt to pursue designs that fill an allotment with large 'long single boxes' that are built to the height standard, setback and building envelope limits and are only broken up by the limited parking and landscape requirements (some of which are partly reflective of the DCP controls).</p> <p>As boarding houses don't need to meet as many other requirements (e.g. landscaping, parking, setbacks, ventilation & BCA etc.) they are able to be much more basic designs. Council may be able to attempt to address these issues by separate DCP controls, but difficulties often arise where applicants argue the DCP controls are in conflict and inconsistent with the SEPP (ARH).</p> <p>It is further noted that applicants often expect to achieve the 'bonus FSR' under Clause 29(1)c) which conflicts with Clause 30A. It is suggested that boarding houses should be subject to design controls/SEPP 65 (even if specific design elements are developed for boarding houses) when the size and scale exceeds a nominated threshold.</p>

SEPP (Housing for Seniors or People with a Disability) 2004

Clause	Feedback
CI4/4A – Land to which Policy applies	<p>The clause needs to be simplified and clarified (esp. considering Sch1 is being reviewed). Rather than clauses adding and subtracting permissibly, most of which don't address current zone terms, just state its permissible in zones X, Y & Z, or where land use A, B and C are allowed.</p> <p>Are the zones adjoining urban purposes appropriate anymore? Is the associated with a registered club even appropriate? The clause is now a rewrite of 20 years of changes and is overtly convoluted. It is further noted that the Standard instrument has a senior's definition which adds to the confusion around 'seniors housing'.</p>
CI 5/ Schedule 1	Needs to be clarified considering significant amount of planning legislation change.
Clauses 11 RCF, 12 Hostels & 13 Infill self-care & CI42 – Reasonable Access	<p>Provision of services needs to be clarified such that these are generally available as a direct part of the overall complex and not a 'hire in' on an individual basis at user cost (usually at a higher costs). Infill self-care appears to be at greatest risk of this as hostels and RCF's typically provide an integrated service (i.e. its managed as 'one service' even if its parts are subject to separate contracts). It's likely inappropriate for individual residents to be managing a series of different services they need (e.g. cooking, cleaning, personal care, nursing etc.) and it's not really being provided by the 'development'.</p> <p>CI42 'reasonable access' to services is a very low bar for applicants and a hard element for an assessment planner to improve. The DPIE should clarify the expectations for 'reasonable access'. An applicant demonstrating that all these services exist (at residents' own cost and management) really doesn't appear achieve very much.</p>
CI 23 – Registered clubs	Seems to clearly indicate that clubs and senior housing shouldn't be together.
CL24/25 – Site compatibility certificates	SCCs needs to either be broadened in terms of the listed considerations (i.e. statutory requirements) or made more merit based. There should be scope for unusual positive or negative aspects to be considered in determining the issuing of the SCC (e.g. does the developer pursuing SCC currently have compliance action against them for illegal works, is the operator in serious breach of conditions for another aged care site).
CI 26 - Location and access to facilities	Partly discussed above. Clarification whether any of the clauses are permissibility / prohibition criteria? E.g. is 400m to a bus stop a merit criterion, development standard or prohibition. Its potentially a big flaw in the SEPP (esp. considering the SEPP is otherwise very generous where its permissible).

Clause	Feedback
CI43 - Availability of facilities and services	Clarification is required regarding what constitutes certain services. For example, can applicants satisfy the criteria with access to a public bus service, private bus service, aged care-owned bus service?
CI48/49/50 – Standards that can't be used to refused certain development	FSR rate is often relatively high in terms of surrounding character. FSR / Height consistent with zones would provide better built form outcomes. Developments should also be required to address local DCP setback/building envelope controls to deliver better desired future character outcomes.
CI55 - Residential care facilities for seniors required to have fire sprinkler systems	Clarification that this can be addressed by appropriate conditions and is not a prohibition to determination (e.g. you don't need a full design at DA).
Clarification on definitions.	It appears that several definitions now appear to rely on the standard instrument e.g. landscape area. A subclause at the end of Clause 3 stating this would be beneficial. Landscaping in the SEPP had relied on a very poor definition which significantly impacted the outcomes.

THE ROLE OF GOVERNMENT

What influence would you or your organisation have in contributing to the joint delivery of a NSW Housing Strategy? What data or insights could you provide to support responsive action plans?

Long-term planning and plan making relies on a consistent evidence base to monitor past trends and progress over time, and to provide a basis for modelling future change scenarios. Council consistently relies on profile.id data when developing strategic plans such as the Community Strategic Plan, Local Strategic Planning Statement and Local Housing Strategy.

CN Local Housing Strategy is informed by an Evidence Report which provides a detailed understanding of Newcastle's local housing market including current and projected demographics, housing market supply and demand, and relevant opportunities and constraints.

Consistent across the suite of Council's strategies and plans, the Population Forecasts used in the Evidence Report are provided by Profile.id. These are preferred by Council, as historically they have been more accurate, provided at a finer scale and are used corporately to inform other strategies and plans.

Recommendations

1. Refer to the evidence base developed by Councils for the writing of Local Strategic Planning Statements and Local Housing Strategies to support the writing of a responsive State level action plan.
2. Work with Local Councils and other government departments to develop a state-wide platform to manage the collection and dissemination of consistent population and housing data.

HOUSING SUPPLY IN THE RIGHT LOCATION AT THE RIGHT TIME

How can Government better facilitate housing in regional communities?

Given this is a State level discussion paper intended to complement local, metropolitan and regional analysis that has already been undertaken, the division of regional and metropolitan areas is misrepresentative and unnecessary. Classifications of the different 'regional areas' into five functional economic regions does not provide an accurate representation of these areas, including the differences within and between these regions.

Because of the strong economy of CN and work life patterns of Newcastle residents the 'Metro Satellite' classification is not representative. Between the Port, Newcastle University, Newcastle Airport and the John Hunter Hospital, CN is an independent economic centre, not a satellite city. Further, CN is also not a dormitory LGA of Sydney - most residents both live and work in CN (66%). If they do leave CN for work, they are likely to travel to adjacent LGAs (Lake Macquarie Council 15%, Port Stephens 5%, or Maitland 4%).

The discussion paper considers housing diversity across an unreasonably large geographic area and housing markets. The Hunter Region has a broad and varied economic base, ranging from intensive agricultural land through to high-density commercial centres with dwellings varying accordingly. Investigations into dwelling diversity has already been undertaken by each Hunter Council through Local Housing Strategies and Local Strategic Planning Statements, providing meaningful and more nuanced local information to support State-level action.

Recommendations

3. CN recommends that areas should be classified based on the level of urbanisation, as well as on their population and economic features, as this would provide a more appropriate representation of housing dynamics and housing needs.
4. Investigation of housing diversity at a regional scale is not relevant. Councils are in a good position to understand the unique local needs for diverse housing. Planning for these needs at the local level are supported through state level actions including a refinement to the many housing related SEPPs outlined below.

DIVERSE HOUSING FOR DIVERSE NEEDS

There are a range of actions we could take to support housing diversity. Which ones should be prioritised in the NSW Housing Strategy?

With an ageing population and approximately 20% of the Australian population living with disability, the need for accessible and adaptable housing is expected to grow. Meeting this demand is challenging as the diversity of disabilities requires a range of housing that meets those specific needs.

Accessible and adaptable housing enables people with disability and older people to live with independence and dignity, and age in place. Housing that is universally designed is more versatile and can better meet the changing needs of occupants, including families, over their lifetimes.

Currently, there are no minimum building requirements for houses and townhouses to be accessible or adaptable. For apartment buildings, there are requirements for accessibility to communal areas, but no requirements for apartments themselves to be accessible.

Liveable Housing Australia offers formal accreditation of dwellings that comply with the three performance levels – Silver, Gold and Platinum – outlined in the Liveable Housing Design Guidelines for accessible and adaptable housing.

The City of Newcastle Development Control Plan (DCP) requires all new medium and high-density dwellings, aside from shop top housing, to meet the Silver Level of the Liveable Housing Design Guidelines to ensure the future adaptability of the home. Despite the benefits, the uptake of the Silver Level Liveable Housing Design Guideline for new dwellings in CN is currently unknown, and the capacity for councils to enforce this is limited.

Advocating for minimum accessibility and adaptability requirements with the Building Code of Australia (BCA) for new housing would make the housing market more equitable by increasing the proportion of accessible housing available to the market and reduce the cost of, or even removing the need to, modify the dwelling in the future. These benefits can be delivered at marginal additional cost at the construction phase with long-term benefits over the lifetime of the dwelling and/or occupant.

A common barrier to the provision of diverse housing types, such as boarding houses, is resistance from the local community. An education program to familiarise the community with boarding houses – including the diversity of homes that are boarding houses such as student housing and co-housing - would expedite the approval process and ensure the provision of more diverse and affordable housing.

Community acceptance would also be assisted with the provision of additional definitions under “residential accommodation” so that the range of dwellings currently defined as “boarding houses” will be better reflected in the building types.

CN also encourages that the Draft Housing Diversity SEPP considers new housing models such as co-housing and collective re-development, as are mentioned in the Discussion Paper. These provide innovative ways to accommodate a range of household types in a more affordable way.

Recommendations

5. Advocate for a minimum requirement to be added to the BCA for all dwellings to be internally adaptable to enable modifications likely required by future residents.
6. Launch a State-wide education campaign to promote the benefits of adopting universal housing design principles for all new housing.
7. Expand the scope of the Draft Housing Diversity SEPP to include new housing models such as co-housing and collective re-development.
8. Develop education programs on alternative housing types, particularly boarding houses, to reduce the objection typical from the public.
9. State-led community-based education program to highlight the role, function and benefit of boarding houses.
10. Provision of additional definitions under “residential accommodation” so that the range of dwellings currently defined as “boarding houses” will be better reflected in the building types.

What additional support could the NSW Government provide to drive innovation in the housing sector, including diverse dwellings types and models?

CN supports the use of a CN Catalyst Area for a “low carbon precinct”, as is stated in the Greater Newcastle Metropolitan Plan:

15.2 Greater Newcastle councils will:

identify neighbourhoods that may be suitable for establishing a low carbon precinct as a demonstration project.

These areas are the most appropriate for precinct planning as they have many large lots and through a State-led rezoning may be subject to rapid redevelopment. Partnership through the Catalyst Area Steering Group will be required for this to be successfully achieved.

Recommendation

11. Support the implementation of existing actions for innovation in the Regional, Metropolitan and Local Plans, including the nomination of a CN Catalyst Area as a low carbon precinct.

HOUSING WITH IMPROVED AFFORDABILITY AND STABILITY

There are a range of actions we could take to support housing affordability and/or the supply of affordable housing. Which ones should be prioritised in the NSW Housing Strategy?

The Housing Strategy needs to focus on the State’s role in the provision of affordable rental housing. Through SEPP 70, councils have the capacity to facilitate the provision of affordable rental housing for low to moderate income earners. However, the needs of very low-income earners, making up 22% of the population of CN, can be influenced in a more significant way by the State Government. CN would therefore like to direct State Government attention to housing for very low-income earners.

Social housing requires direct investment both for the maintenance of existing stock, as well as for the provision of new social housing. An article from the Australian Housing and Urban

Research Institute (2018) stated that government should consider social housing as 'social infrastructure', and that direct investment in social housing should be prioritised over the current practice of relying on indirect investment through a range of other mechanisms.

CN proposes that the scope be broadened to affordable living generally as affordable rental housing is only one factor of affordability. This would bring into account a range of factors, including the location, size, type and cost of housing we choose, access to jobs and services, how people move around, and the resources used to achieve this. One factor on the affordability of living identified in the Discussion Paper is the decreasing proportion of people able to afford to buy property. In CN, only 2% of the housing stock is considered affordable for very low-income earners, and 5% affordable for low income earners. These groups are therefore likely to live in rental accommodation their entire lives and pay the secondary costs of poorly maintained dwellings with lower energy efficiency, poor amenity and locational disadvantage. The Department of Fair Trading should conduct a review of existing policy and guidelines applying to tenants given the trends State-wide regarding tenure and maintenance to improve living conditions for tenants.

The State's role in affordable living includes investment in infrastructure including schools, hospitals and public transport. Consideration should be made that lower income households are more likely to rent in outer urban areas, more poorly connected to infrastructure and therefore limited in access to education, health and employment opportunities. CN prioritises housing and infrastructure in areas that have good access to existing services and public transport, but further investment is required from the State to provide the infrastructure required. Local statistics and forecasts on housing, population density and household income can be provided to inform the provision of infrastructure.

Recommendations

12. Given the increasing proportion of people expected to rent for life, CN supports further investigation into improved conditions for tenants, particularly for low and very low-income earners.
13. Consider housing affordability more holistically as affordable living.
14. The State Government should rationalise its investment strategy by directly investing in social housing rather than indirectly through the multiple other ways done now, such as through multiple community housing organisations.
15. Consider the provision of public infrastructure as a measure to improve the affordability of living.

What new or improved measures, subsidies or otherwise, could assist first home buyers?

The most in need of assistance provided by the State are not first home buyers, but people who cannot afford adequate housing. CN supports a move away from directing policy to taxation, and instead invest in reducing the financialisation of the property market through what are currently the weakest areas of policy – social housing.

Recommendation

16. Focus efforts at the State Level to the area where funding is needed most – Social Housing.

OTHER COMMENTS

Simplification of housing related SEPPs

CN supports the review program for State Environmental Planning Policies to simplify and revise the numerous SEPPs that currently apply to housing.

SEPPs that currently apply to housing in CN include the following:

- SEPP 36 – Manufactured Home estates
- SEPP 65 – Design Quality of Residential Apartment Development and associated Apartment Design Guide
- SEPP 70 – Affordable Housing (Revised Schemes)
- SEPP Affordable Rental Housing 2009
- SEPP Exempt and Complying Development Codes 2008
- State Environmental Planning Policy No 9 – Group Homes
- State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004

It is also expected that these will be added to with the Draft Housing Diversity SEPP.

The review should consider the relevance of existing SEPPs. An example is the State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004, which in CN is becoming redundant. Current pipeline supply of dedicated seniors housing in CN appears to be keeping pace with projected growth. Also, recent research undertaken by AHURI (2019) shows that seniors increasingly prefer to age in place, rather than move to purpose built dwellings and that seniors housing, such as retirement villages, is unappealing due to the leasehold nature of the dwelling and the high entry and exit fees.

Recommendations:

17. Ensure the existing review program of housing related SEPPs streamlines and updates the many SEPPS and evaluates the relevance of these.

Cooperation between different levels of Government

The Discussion Paper demonstrates the roles of various levels of government to address housing issues, but also needs to consider partnerships between these. Given an objective of the NSW Housing Strategy is to “provide a foundation to communicate with and complement the work of State Government agencies, including the Greater Sydney Commission, and other levels of government, including councils and the Australian Government”, the Housing Strategy needs to be written in consultation with these parties.

Moreover, the Draft NSW Housing Strategy should be exhibited in order to ensure that it considers priorities and actions of other Government agencies at all levels (including priorities and actions from Local Housing Strategies). CN is concerned that many councils’ Local Housing Strategies have not yet been adopted, while the NSW Housing Strategy is currently being developed, it won’t be exhibited and opportunities for complementary work between local and State government have been missed.

Collaboration between the State and Local Government is particularly important, given Local Government often has a better understanding of housing needs at a local level. Moreover, many actions in Local Housing Strategies will rely on support from the State Government to be implemented. The State Government should ensure that these are considered when formulating the NSW Housing Strategy.

An example in CN are Catalyst Areas, a partnership between CN and State Authorities, which has the greatest opportunity for affordable housing through the inclusion in an Affordable

Housing Contributions Scheme. While CN has set targets for affordable housing in these areas and is in the process of writing an Affordable Housing Contribution Scheme, its implementation in the Catalyst Areas will require cooperation and part leadership from the State Government, particularly the Hunter Central Coast Development Corporation.

This is reflected in Action 1.1 of CN Draft Local housing Strategy:

Actively collaborate with State Government agencies through the Greater Newcastle Metropolitan Plan Catalyst Area Steering Group, to advocate for the provision of infrastructure, services and reliable public transport required to support targeted housing growth that meets the future needs of the community in areas supported by emerging centres of employment and economic activity.

Recommendations

18. The Draft NSW Housing Strategy should be publicly exhibited to allow for stakeholder consultation and community feedback.
19. The State Government should reflect the actions of Local Housing Strategies within the NSW Housing Strategy.
20. Work with Councils to ensure local strategic planning directions are given effect through State-led rezonings.

SUMMARY

In summary, CN welcomes a State-level strategy for housing but encourages the focus to be on State-level planning levers, including a revision to housing related SEPPs and increased direct investment in Social Housing. CN also looks forward to integrating the data collected at a local level into a State managed platform to better inform evidence-based planning between both levels of government.

CN has concerns that the NSW Housing Strategy fails to recognise local housing needs by progressing prior to the finalisation of all Local Housing Strategies. A formal public exhibition period will provide an invaluable opportunity to collaborate with all stakeholders, including the community. It is crucial that the NSW Housing Strategy is consistent and provides a line of sight with all finalised Local Housing Strategies and reflects the true housing needs of the State.

We would be happy to elaborate on our submission. Should you have any questions, please contact Patty McCarthy, Urban Planning Section Manager on 4974 2879 or email pmccarthy@ncc.nsw.gov.au.

Yours faithfully



Michelle Bisson

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18 September 2020

Mr Peter Achterstraat AM
NSW Productivity Commissioner
NSW Treasury
GPO Box 5469
SYDNEY NSW 2001

Dear Mr Achterstraat AM

SUBMISSION ON ‘CONTINUING THE PRODUCTIVITY CONVERSATION’ GREEN PAPER

The City of Newcastle (CN) welcomes the opportunity to respond to the NSW Productivity Commissioner’s Green Paper, ‘Continuing the Productivity Conversation’.

CN supports the principal aim of improving productivity across the themes discussed within the Green Paper. Whilst the Green Paper is Sydney-centric, there are general themes, assertions and proposed recommendations that impact particularly upon the planning system State-wide. Broader consideration of areas outside Greater Sydney would equip relevant councils to provide more informed feedback.

The following comments address the relevant draft recommendations and accompanying rationale within the chapters, particularly focusing on smart infrastructure, housing and jobs.

CHAPTER 6 SMARTER INFRASTRUCTURE WILL SUPPORT JOBS AND COMMUNITIES

CN supports early planning and greater investment in infrastructure to meet projected growth. Major projects identified in the Paper are Sydney based, rather than in Gateway Cities like Newcastle. However, the Paper recognises the need to consider upgrading existing infrastructure and exploring other more sustainable, smart and cost-effective options, as opportunities emerge.

CN strives to provide high standards of living for residents. COVID-19 has created uncertainty around the function of city centres and type of vehicle trips. Longer term impacts are yet to be better understood in planning for infrastructure. Delivery of infrastructure should be prioritised where it will deliver the most known benefits.

DRAFT RECOMMENDATION 6.1 - CHANGE PLANNING CONTROLS TO ENABLE MORE HOUSING AND BUSINESS ACTIVITY WITHIN REASONABLE WALKING DISTANCE OF TRANSPORT HUBS ON UNDERUTILISED CORRIDORS.

CN supports housing within 30 minutes of jobs, education, health facilities, services and leisure spaces. Our local Housing Vision is that:

“All residents of City of Newcastle will have access to housing that meets their needs, in a community where they have access to employment, facilities and services. As we plan for our growing community, what we love about our City will be maintained and improved for future generations.”

Our Local Strategic Planning Statement and Housing Strategy (draft) contains objectives for housing in areas with adequate infrastructure, close to jobs, services, public open space and reliable public transport, and demand for more homes is balanced with the need for more jobs and sustainable economic growth. As well as, with the creation of great places and the retention of important ecological habitat. This is reflected in planning controls. For example, greater residential densities are in proximity (400m - 800m) to our centres and transport nodes.

Growth is planned to be concentrated in the form of infill development in Catalyst Areas or Urban Renewal Corridors and Housing Release Areas. A planned approach to growth and change will improve infrastructure and land use sequencing to capitalise on the opportunities for jobs and housing growth identified within each Catalyst Area, Strategic Centre, Urban Renewal Corridor and Housing Release Area. It will also enable our City to grow in a way that reflects our vision to be a smart liveable and sustainable global city, with greater choice in housing and jobs, improved access to active and public transport and well-planned recreation and green spaces.

CN will continue to work with the State government to ensure Catalyst Areas deliver strong community benefits for both CN and the Greater Newcastle Metropolitan Area.

Current strategies will underpin future changes to the LEP and DCP, which may include changes to land use provisions.

DRAFT RECOMMENDATION 6.2 - REQUIRE INFRASTRUCTURE NSW TO PUBLISH, WITHIN ONE WEEK OF AN ANNOUNCEMENT FOR ALL TIER 1 AND TIER 2 PROJECTS:

- **Gate 1 strategic business case and Gate 2 final business case documents**
- **a simple 'social value for money' rating based on the project Benefit Cost Ratio**
- **a risk report, drawing on historical experience, with probabilities where feasible.**

To further increase the transparency of spending priorities:

- **Have Infrastructure NSW publish its five-yearly infrastructure plan (and annual updates), along with underlying analysis, at the time of the Budget.**
- **Provide additional justification in the Budget where investments are prioritised that do not align with the Infrastructure NSW priorities.**

CN supports greater transparency by sharing all relevant information on project planning, budgeting, prioritisation and the required justification during infrastructure decision-making process. Sufficient amounts of publicly available information may drive good evidence-based infrastructure investment decisions. In particular, CN requests that infrastructure investment in Gateway Cities like Newcastle and Wollongong be prioritised as they provide significant opportunities for economic development.

DRAFT RECOMMENDATION 6.4 - EXPLORE OPTIONS TO REDUCE DRIVER BEHAVIOURS THAT INCREASE ROAD CONGESTION, FOCUSING ON TRIP TIMING, MERGING, INTERSECTION ETIQUETTE AND DRIVER DISTRACTIONS.

Smarter use of existing infrastructure should be explored to ease congestion on roads and public transport, maximise productivity of existing assets, support sustainability and any potential cost savings. COVID-19 has influenced new ways of working and living, which has resulted in more people working from home (including 'more flexible' work hours) and adapting to new technologies and ways of connecting online. This may impact previous recorded trips

to work and how CBDs once functioned. Longer term impacts to driver behaviour are unknown but there may be positive changes. Ongoing monitoring of trips (including peak periods in traffic) is required. Investment in new technologies and changing behaviours may reduce high costs for new roads and supporting physical infrastructure.

Looking beyond new road projects creates opportunities to support active lifestyles. CN has a 20-year land use vision to be a “*smart, liveable and sustainable global city*”. Our top planning priority is to “*prioritise active transport in our City*”.

“Our need for private car ownership and use has declined as we choose to:

- *Walk or cycle on our network of footpaths and separated cycleways*
- *Use light rail that has been extended to Broadmeadow Sports and Entertainment Precinct, John Hunter Health and Innovation Precinct and University of Newcastle at Callaghan*
- *Use rapid bus transit network linking Catalyst Areas and strategic centres across the Greater Newcastle Metropolitan Area, including the Newcastle Airport; and*
- *Use shared electric vehicles, on-demand autonomous buses and ride share services.”*

Source: Newcastle Local Strategic Planning Statement 2020.

6.4 CONT. DEVELOP A STRATEGIC OPTIONS (GATE 1) BUSINESS CASE FOR CORDON CHARGING IN THE SYDNEY CENTRAL BUSINESS DISTRICT AND AT OTHER CONGESTION HOT SPOTS.

Further exploration and consultation of this suggested charging scheme may bring the desired transport behaviour changes to address limits on road capacity and congestion.

DRAFT RECOMMENDATION 6.5 - ASK THE INDEPENDENT PRICING AND REGULATORY TRIBUNAL TO REVIEW THE OPAL FARE STRUCTURE TO REFLECT THE COSTS OF TRAVEL AND ENCOURAGE A MORE EVEN DISTRIBUTION OF DEMAND THROUGHOUT THE DAY.

Simplify and retarget the concession system. Make fares more efficient and reflective of need:

- **reduce the number of concession classes**
- **increase incentives for off-peak travel**
- **ensure that discounted fares target those who most need them.**

A review of the system is required to better reflect well-designed price structures. Incentives should be available to encourage an even distribution of passengers on trips. Fares should reflect the real cost of trips during peak times (due to network pressure) but not discourage public transport usage.

PLANNING FOR THE HOUSING WE WANT AND THE JOBS WE NEED

DRAFT RECOMMENDATION 7.1

- **Require councils to analyse housing supply capacity and show that planning controls are consistent with the dwelling needs identified by Greater Sydney's 20-year strategic plans for 5-year, 10-year and 20-year windows.**
- **Ensure councils immediately update relevant planning instruments to meet 6-to-10-year housing targets and report housing completions by Local Government Areas every six months.**
- **Publish annual 10-year forecasts for State-led/partnered precincts.**
- **Monitor housing forecasts and projections on a six-monthly basis. Where housing shortfalls arise, require councils to revise housing strategies and Local Strategic Planning Statements to indicate how the shortfalls will be remedied.**

The recommendation primarily refers to Greater Sydney, however, the following general comments are noted regarding theoretical housing capacity, future supply, monitoring and periodic reporting of dwelling approvals and completions.

In the case of CN, it is noted that the framework to monitor and report on housing supply exists through the Hunter Urban Development Program (UDP)¹ which is managed by the Department of Planning, Industry and Environment (DPIE). The UDP framework is robust and balanced, monitoring the delivery of strategic priorities and actions as set by the Hunter Regional Plan and Newcastle Metropolitan Plan 2036 as well as providing housing approval and completion data.

There is scope under the proposed reform package to review the current structure, operation and opportunities for an increased role for the UDP. CN welcomes a stronger focus on monitoring and reporting for housing and other aspects of the local strategic framework and would be happy to discuss opportunities to expand the UDP in this regard.

- **Where a lack of capacity is identified, ensure councils revise their Local Housing Strategies and Local Strategic Planning Statements to reflect the objectives identified in the Greater Sydney strategic plans.**

Enforcing changes to strategic documents based on a lack of housing capacity risks undermining the significant work that councils put into the preparation of their LSPSs. It is important to note that all LSPSs were reviewed by DPIE to ensure they reflected the objectives identified in relevant Metropolitan and Regional plans. A fundamental component of the LSPS is that it is set in the context of "growth and change", informed evidence and prepared in close consultation with their communities and stakeholders.

CN's LSPS and draft Local Housing Strategy (on exhibition at the time of writing) were both informed by the 'Newcastle Housing Needs and Local Character Evidence Report'², which highlighted theoretical capacity under Newcastle Local Environmental Plan 2012 for approximately 60,000 dwellings, exceeding 20-year dwelling projections three-fold.

Therefore, the focus of the LSPS and draft LHS is on delivering growth in high-amenity locations, diversifying the types of housing available and catering to specific housing needs, these include:

1. Provision of affordable rental housing

¹ [Hunter Urban Development Program](#), NSW DPIE, 2020

² [Newcastle Housing Evidence Report](#), City Plan Services, 2019

2. Purpose-built student housing, and
3. Seniors housing.

Furthermore, CN is mindful that while there are substantial and specific housing needs in our region, its delivery should not come at the expense of quality outcomes for future residents or the built environment. The proposed reforms focus on delivering a quantum of housing and jobs without due consideration of the direct and indirect benefits of quality planning and design and providing housing in the right locations close to jobs, public transport, services and facilities.

GENERAL HOUSING CAPACITY COMMENTS

The planning system does not let housing supply respond quickly

It is unclear what the Productivity Commission defines as housing supply. The Green Paper points to completions as an indicator of a productive planning system and then recommends that councils update their LSPS/LEPs to create additional capacity as an appropriate response. This is an unusual recommendation that does not acknowledge the role of industry in activating consents, building and completing housing.

The planning system sets the framework (capacity) and issues approvals to build housing. Developers lodge development applications and/or activate development consents. The Green Paper overstates the relationship between the strategic planning framework and the delivery of housing on the ground.

Further analysis should be undertaken to understand the extent of consents that have not been activated and land that has been rezoned for residential purposes but is being held in land banks by developers³. Moreover, it would be beneficial to consider mechanisms that unlock the latent capacity that already exists within the planning system under LEPs and consents that are yet to be activated. This data is not included in the Green Paper.

The planning system must account for the interests of possible future residents

NSW has been transitioning to a strategic plan-led system over the past few years to shift the discussions to the strategic planning stage, setting the clear expectations about how an area should “grow and change” over time. The recent completion of Local Strategic Planning Statements and upcoming completion of Local Housing Strategies, both prepared in consultation with the community and other stakeholders, highlight the land use and housing priorities of our communities.

In many cases, Planning Proposals and DAs are lodged that do not align with the stated objectives, aims or desired future character clearly outlined in the strategic framework. DPIE have long been advocating for “line of sight”⁴ from State-level regional and Metropolitan Plans through to LSPSs, LEPs and DCPs. There is no analysis of the extent of non-complying DAs in the Green Paper and their impact on DA assessment times and community confidence in the planning system.

DPIE maintain a central register for all Clause 4.6 variations which will highlight the extent of the issue. It is recommended that further consideration be given to cases where variations

³ [‘Time is Money: How Land banking Constrains Housing Supply’](#), Dr. Cameron Murray, 2019

⁴ [‘Strategic Planning Toolkit’](#), NSW DPIE, 2020

exceed 10% and identify improvements to approval pathways for DAs that generally align with the strategic framework to encourage compliant proposals.

DRAFT RECOMMENDATION 7.2

- **Review and revise SEPP 65, aiming to minimise prescriptions so as to ensure maximum flexibility for housing that matches consumer choice while maintaining minimum basic quality.**

CN does not support any reduction to SEPP 65 or ADG requirements. The Green Paper outlines the intent of SEPP 65 as managing the externalities of development and providing an attractive proposition to potential buyers. SEPP 65 (and the ADG) goes much further in its aim to improve the wellbeing of residents particularly through Principles 6 to 8 which promote consideration of amenity, safety and housing diversity and social interaction in the design of residential flat buildings. These principles are particularly pertinent in the context of COVID.

It is acknowledged that new forms of housing have emerged since the 2015 comprehensive review of SEPP 65. The Productivity Commission would however be aware of the proposed Housing Diversity SEPP that introduces build-to-rent, co-living and student housing as new land use terms for the planning system. These forms of housing align with the rationale included within the Green Paper and should be viewed as a neat solution to the issues raised.

SEPP 65 applies to residential flat buildings and its “prescriptions” should not be minimised. Alternatively, CN suggests that SEPP 65 and the ADG be comprehensively reviewed considering the emerging housing types and attitudes towards trading off space to live in high amenity locations.

In its submission on the Housing Diversity SEPP, CN advocated for SEPP 65 to be applied to boarding houses and build-to-rent over a nominated threshold and this should be considered under the suggested review.

- **Review the Guide to Traffic Generating Developments by the end of 2021 to ensure it reflects current travel behaviour and the best approach to traffic management.**

A review of the Guide to Traffic Generating Developments is supported. The review could consider the future impacts of lower rates of car ownership, modal shift to active transport, car share and autonomous vehicles.

- **Review parking controls within strategic centres and areas with good public transport accessibility.**
- **Reduce car parking requirements within 800 metres of public transport nodes by the end of 2021.**

CN supports the travel demand management approach and investment in transport infrastructure that encourages modal shift to active transport. Action 1.2 of CN’s LSPS states the following:

- 1.2 *Review and update Newcastle Development Control Plan provisions for movement networks, car parking and active transport to facilitate use of active transport in Catalyst Areas, Strategic Centres, Urban Renewal Corridors and Housing Release Areas.*

CN will continue to promote and invest in critical transport infrastructure in these areas of change.

DRAFT RECOMMENDATION 7.3 - RATIONALISE EXISTING BUSINESS AND INDUSTRIAL ZONES IN THE STANDARD INSTRUMENT LEP TO REDUCE THE NUMBER OF ZONES.

- **Broaden the range of permissible activities to ensure prescriptions are reserved for genuinely incompatible land uses.**
- **Expand application of the complying development assessment pathway to the newly consolidated employment zones.**

CN supports a review of the current business and industrial zones and notes the following for the proposed groupings:

1. B1 Neighbourhood Centre and B2 Local Centre: CN has an established centres hierarchy⁵ in its LSPS and acknowledges that many of the overlapping objectives between each zone. There is scope to distinguish differences between each centre in the LSPS, local character statements and different development standards.
2. B5 Business Development, B6 Enterprise Corridor, B7 Business Park and IN1 General Industrial: Further details are required regarding the merging of the IN1 zone with IN2 zone and how this relates to this proposed group.
3. IN1 General Industrial and IN2 Light Industrial: As above. Further clarification is required to understand if the intention is to merge these two zones with the business zones listed above.

DRAFT RECOMMENDATION 7.6

- **Continue to implement measures to reduce red tape and complexity in the planning system. Bring NSW approval assessment times into line with other jurisdictions' times by the end of 2023.**

As noted previously, the planning system clearly articulates the expectations for development throughout the strategic planning framework. There is no analysis of the number of non-compliant or incomplete DAs lodged and their impact on assessment times. Assessment times are taken on face value and compared against completely different jurisdictions. The comparison between jurisdictions is a false equivalence and does not acknowledge the differences between each State's strategic framework or the outcomes produced by each system.

The Green Paper also overlooks the success of the planning system in delivering approvals. For example, "there is an abundance of approved and ready to develop greenfield and infill sites in Sydney, with 190,000⁶ dwellings in the pipeline in the next five years"⁷, which represents an 8% increase over the previous five years. This highlights that there may not be an issue with the assessment times, rather, there are possible constraints on commencements and construction activity.

Complying development has been introduced to provide a fast track assessment and applies to straight forward development including dwellings, businesses and industry. CN supports a fast track assessment for complying development and has set up its own fast track team to

⁵ '[Commercial Centres Hierarchy](#)', NLSPS, 2020

⁶ '[Sydney Housing Supply Forecast](#)', NSW DPIE, 2020

⁷ '[Don't blame the planning system for a supply shortage and rising house prices](#)', Fifth Estate, Tim Sneesby, 2020

reduce assessment times. However, the types of development that cannot be assessed as complying development requires a more considered assessment and the longer assessment times may not be due to “red tape” but ensuring acceptable outcomes.

The proposal to introduce deemed approval needs to have strict checks implemented. Deemed approval should only be triggered for compliant non-major DAs that have been formally lodged with sufficient documentation. The conditions outlined in Clause 64 of the *Queensland Planning Act 2016* do not account for the scale and impact of development beyond variations to height, floor space ratio and building envelope variations. Other factors could form valid reasons for refusal particularly for major DAs and include integrated development, traffic generating development, development on zone boundaries and in nominated growth areas with character overlays.

DRAFT RECOMMENDATION 7.7

- **Develop a consistent approach to measuring benefits to community welfare from the provision of open and green space to help inform government business cases involving development.**
- **Develop better options for taking into account green infrastructure and public space in strategic land use planning.**

CN acknowledges that quality open space is a form of social infrastructure and notes its positive effect on the wellbeing of the community. Advocating for an expansion of the local green and blue grids forms part of the feedback provided to proponents for planning proposals in urban release areas. Actively promoting a more efficient and measurable use open space is supported.

DRAFT RECOMMENDATION 7.8

- **Progress reforms to the infrastructure contributions system after the Productivity Commissioner’s current review, to deliver a principles-based, transparent and certain system.**

CN has provided a submission on the Productivity Commission relating to the infrastructure contributions system and welcomes future opportunities to provide input into those reforms as they progress.

We would be happy to elaborate on our submission. Should you have any questions, please contact Dan Starreveld, Senior Urban Planner on 4974 2964 or email dstarreveld@ncc.nsw.gov.au.

Yours faithfully



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MANAGER GOVERNANCE