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Department of Planning and Environment  
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Ref HOG16/18139

Dear Mr Albury

### Draft Central Coast Regional Plan

Thank you for the opportunity to comment on the Draft Central Coast Regional Plan. The Department of Family and Community Services has a significant interest in the Plan, in particular in relation to social and affordable housing supply.

Recently, the Minister for Family and Community Services and Minister for Social Housing released *Future Directions for Social Housing in NSW*. This document sets out the NSW Government's vision for social housing over the next 10 years. It sets out the Government's commitments, which include working with planning agencies and authorities to ensure appropriate rezoning of social housing assets. The Strategy also sets out areas for whole-of-government collaboration, including the Department of Planning and Environment working with Family and Community Services (FACS) to identify options to work with Commonwealth and local government to increase affordable housing supply.

FACS key concern is that the NSW Government commitments in *Future Directions* need to be reflected in the Central Coast Regional Plan. The attached submission provides more information about *Future Directions*, specific comments on housing related directions in the draft Regional Plan as well as some data to support those comments.

If you have any queries or would like any further information, please contact Sue Brown, Manager Affordable Housing, on 8753 8529.

Yours sincerely



Mychelle Curran  
Executive Director, Community, Homes and Place



## **Draft Central Coast Regional Plan – Comments on Housing Supply and Diversity Measures**

The key concern that the Department of Family and Community Services would like to raise with the Draft Central Coast Regional Plan is that the NSW Government commitments in *Future Directions for Social Housing In NSW* are not reflected in the Plan.

### **Future Directions for Social Housing in NSW**

Just prior to the release of the Draft Central Coast Regional Plan, the Minister for Family and Community Services and Minister for Housing released *Future Directions for Social Housing in NSW*. It sets out the NSW Government's vision for social housing over the next 10 years.

The Strategy states that over the next 10 years the NSW Government will:

- a) Deliver redevelopment projects on Land and Housing Corporation(LAHC) sites throughout NSW through Communities Plus;
- b) Align redevelopment projects with UrbanGrowth priority renewal areas;
- c) Work with planning agencies and authorities to ensure appropriate rezoning is possible; and
- d) Ensure large redevelopments target a 70:30 ration of private to social housing to enable more integrated communities (generally with an increased number of social housing where practicable).

Note that the Land and Housing Corporation, which sits within FACS, owns significant assets within the Central Coast. There are a number of social housing estates in Gosford and Wyong (at Wyoming, Bateau Bay/Killarney Vale/Tumbi Umbi, Lake Haven and Watanobbi) as well as smaller groups of properties owned by LAHC and community housing providers operating in this region.

*Future Directions* also states that the NSW Government will:

- Encourage development of more affordable rental housing to act as a stepping stone out of social housing, or a diversion from entering the system; and
- Explore options to better utilize Government lands for social and affordable housing.

Further, *Future Directions* outlines areas for whole of government collaboration. Collaboration with the Department of Planning and Environment includes:

- Working with the Land and Housing Corporation to determine appropriate planning mechanisms to assist the acceleration of redevelopment on identified sites; and
- Working with FACS to identify options to work with the Commonwealth and local governments to increase affordable housing supply, including using surplus Commonwealth and local government land.

These NSW Government commitments need to be reflected in the Central Coast Regional Plan. The Draft Central Coast Regional Plan currently contains no directions or actions on affordable rental housing. FACS requests that the Plan foreshadows work on these commitments.

A copy of Future Directions is available at: - <http://www.facs.nsw.gov.au/reforms/social-housing/future-directions>

### **Specific Comments:**

#### **Goal 1 – Enhance Community Lifestyles and Accelerate Housing Supply p15**

**“The relative affordability of the region compared to Sydney is another attraction for residents.”**

There are a much higher proportion of low income households in Gosford and Wyong compared to Sydney or the Rest of NSW (excluding Sydney). The proportion of low income renters is increasing faster than the proportional increase in low income households generally. This indicates strong demand for more affordable housing on the Central Coast, and especially more affordable rental housing to meet the demand from the rapidly increasing numbers of low income rental households. Specific actions are required to increase the supply of affordable rental housing to meet demand.

**“Diversifying housing supply will help to meet the changing needs of an ageing population, respond to smaller household sizes and make housing more affordable.” P15**

Given the significant and growing mismatch between household types and bedroom mix, specific targeted actions are required to achieve a better match between housing supply and household types, especially in relation to the number of bedrooms and smaller dwellings.

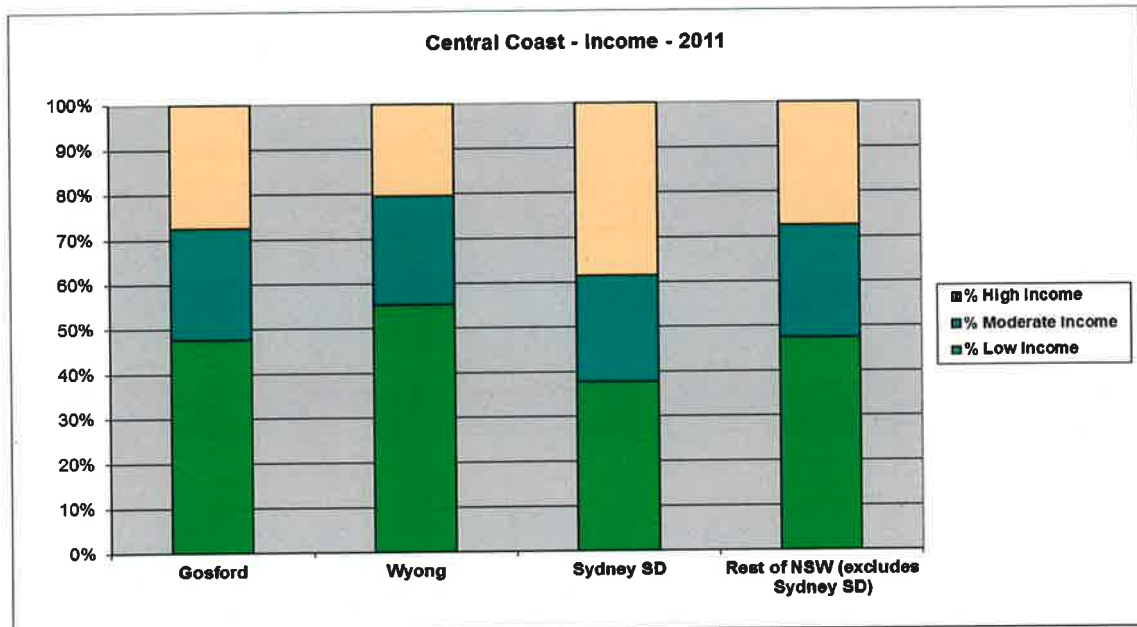
Note that between 2010/11 and 2013/14, secondary dwelling development under the ARHSEPP has proved popular in the Central Coast, with 361 approved in Gosford and 166 in Wyong. However, over the same time frame there were no approvals in either LGA for new generation boarding houses. Both secondary dwellings and new generation boarding houses provide more affordable private rental accommodation with studio (new generation boarding houses) or one bedroom (secondary dwellings) suitable for lone person and couple households. Encouraging new generation boarding house development would assist in meeting the housing needs of lone person or couple households on lower and moderate incomes in the private rental market.

#### **Direction 1.4 Accelerate housing supply P19**

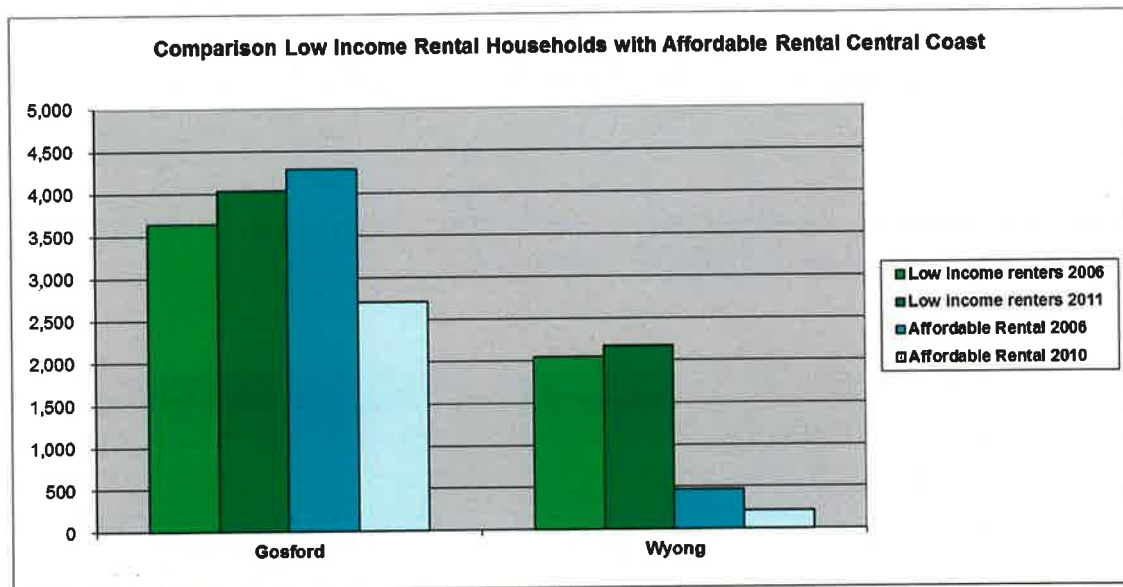
**“Part of the appeal of living on the Central Coast is its housing affordability relative to the Sydney Metropolitan Area.”**

Housing affordability is relative to income. The following graph clearly shows that Gosford and Wyong in particular have much higher proportions of low income households and much lower

proportions of high income households than Sydney. Housing in the Central Coast needs to be affordable to Central Coast residents.



The graph below clearly shows that while low income rental households have been increasing, affordable private rental accommodation has been declining.



**Action 1.4.2 Monitor land and housing delivery P20**

**“Adequate housing supply can help to maintain housing affordability within the region.”**

See the article by Nicole Gurrán and Peter Phibbs “Going bananas over affordable housing” at

<http://theconversation.com/going-bananas-over-affordable-housing-30029>. The article argues that policies to increase housing supply aim to transform and expand the existing housing stock in response to changing demand. While increasing housing supply is very important, it is not enough to meet demand for affordable housing for low and moderate income households.

The authors point out that prices for housing are set by the total housing market, not just the 1-2% that are built every year. Therefore, when the supply of houses goes up the price does not come down and the article presents evidence for this. They further note that “perversely, demand for houses in the short term often increases along with prices, due to expectations that prices will continue to rise and the fact that we all need somewhere to live...”

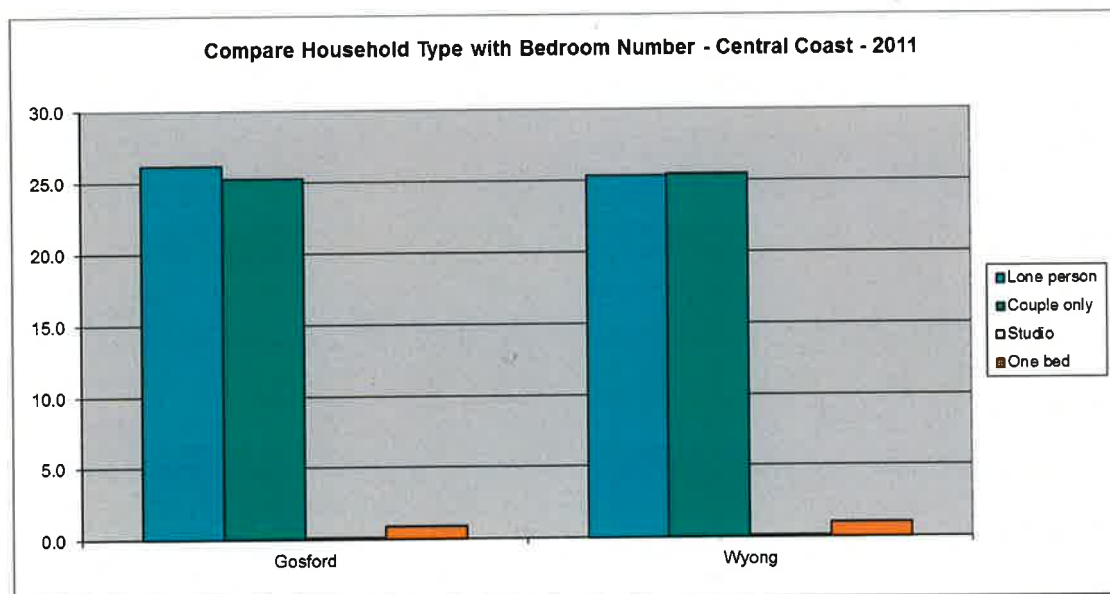
Targeted responses are required to address affordability barriers and expand the supply of affordable housing.

### Direction 1.5 Improve housing choice (Infill) P21

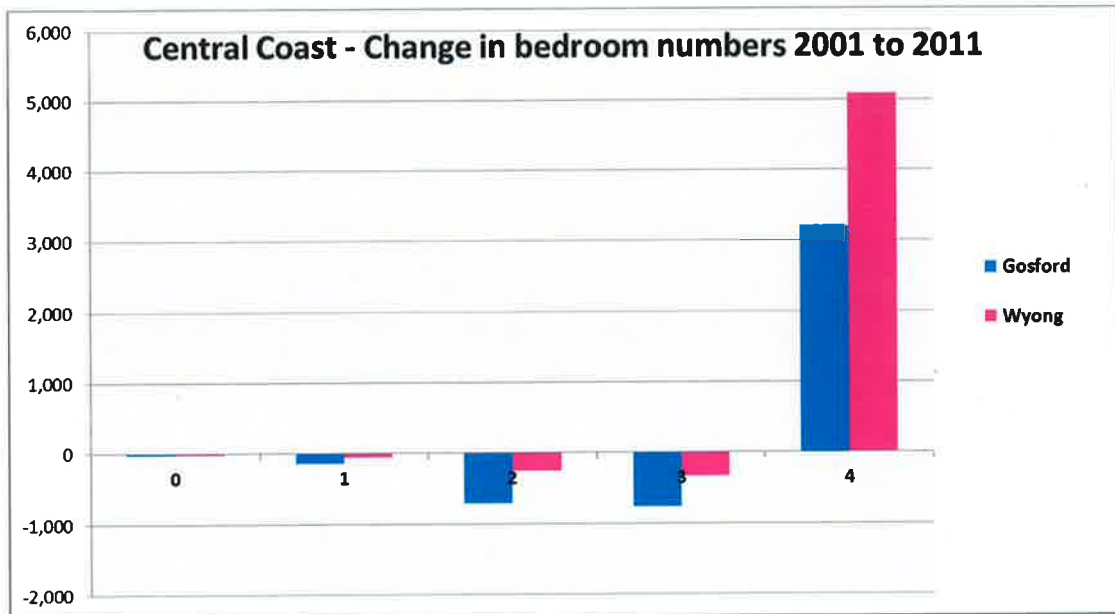
Diversity of housing type does not necessarily result in better bedroom mix.

Both Gosford and Wyong have a much higher proportion of lone person and couple only households than Sydney and these are the household types that DPE forecast will grow fastest in the Central Coast. There will be a need for more accommodation suitable for lone person households, including studio dwellings and new generation boarding house rooms.

There is already a significant mismatch between housing type/bedroom mix and household type as the graph below demonstrates. Given that generally new dwelling construction represents between 1 and 2% of new supply per annum and that in new development, studio and one bedroom dwellings comprise only a very small proportion of the new supply, it will take a very long time to bridge the gap and provide reasonable housing choice for Central Coast residents.



Some practical mechanisms to increase the number of studio, one and two bedroom stock are required. Encouraging diversity of dwelling types is no guarantee of increasing the number of studio, one and two bedroom dwellings, particularly given the trend to decline in this stock (see the following graph).



**“The NSW Government has established several tools to support the provision of affordable housing in NSW.....and State Environmental Planning Policy No. 70 Affordable Housing (Revised Schemes)... are policies which encourage the development of new affordable housing...”P22**

SEPP 70 applies to specific parts of Willoughby and City of Sydney LGAs only. Therefore this SEPP is not relevant to supporting the provision of affordable housing in Gosford and Wyong, unless the Department is committing to increasing the coverage of that SEPP to include the Central Coast.

**“Both Gosford and Wyong Councils have affordable housing strategies which propose a range of methods to increase the supply of affordable housing.” P22**

The Plan states that the NSW Government will implement locally responsive affordable housing strategies.

Gosford Council’s Affordable Housing Strategy has been in place since 2005 and Wyong’s since 2012. Given the commitment to implementing locally responsive affordable housing strategies, there needs to be some evaluation of their adequacy in assessing and responding to local housing need, whether the strategies are making any headway on the issue of affordable housing and what can be done to assist. The monitoring of these outcomes, just like the monitoring of housing supply, is important.

## Endnotes P58

**14 "Families and Community Services (2014), unpublished, "Housing Market Snapshot, Central Coast Region", Sydney**

This should read:

14 Family and Community Services, Housing Market Snapshot - Central Coast

<http://www.housing.nsw.gov.au/centre-for-affordable-housing/for-planners-of-affordable-housing/housing-snapshots/housing-market-snapshot-central-coast-region>

In addition to Housing Snapshots, the FACS website has the Local Government Housing Kit

<http://www.housing.nsw.gov.au/centre-for-affordable-housing/nsw-local-government-housing-kit>

And the Local Government Housing Kit Database

<http://www.housing.nsw.gov.au/centre-for-affordable-housing/nsw-local-government-housing-kit/local-government-housing-kit-database>

These resources provide data and a step by step approach to developing a local housing strategy. These will be useful tools for councils in developing local housing strategies.