



Summary and consideration of submissions and *Council response*

Shoalhaven Affordable
Housing Strategy

2024



Acknowledgement of *Country*

Walawaani (welcome),

Shoalhaven City Council recognises the First Peoples of the Shoalhaven and their ongoing connection to culture and country. We acknowledge Aboriginal people as the Traditional Owners, Custodians and Lore Keepers of the world's oldest living culture and pay respects to their Elders past, present and emerging.

Walawaani njindiwan (safe journey to you all)

This acknowledgment includes Dhurga language. We recognise and understand that there are many diverse languages spoken within the Shoalhaven.

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Introduction



1. Introduction

This document summarises the submissions Council received on its exhibition of a draft Affordable Housing Strategy (the Strategy). The Strategy outlines Shoalhaven's affordable housing challenge and proposes potential ways Council can boost Affordable Rental Housing supply and housing affordability through planning controls, development contributions, use of public land, and advocacy.

The submissions have been themed into several categories and aligned with the proposed actions in the draft Strategy. This document:

1. Considers the feedback provided by the submissions,
2. Identifies a range of recommended adjustments to draft strategy resulting from this feedback, and
3. Outlines how these adjustments were incorporated into the final Strategy following Council's consideration at its Ordinary Meeting of 12 August 2024.

The draft Strategy was exhibited from 12 June to 12 July 2024, inclusive. Council received 38 submissions on the draft document. Submissions were received from community members, Community Consultative Bodies (CCBs), planning consultancies, licensed builders, and the following organisations:

- **Southern Cross Housing:** A Tier 1 Registered Community Housing Provider (CHP). It is the largest CHP provider covering south-eastern NSW with a service delivery area from Wollongong to Eden across to Cooma and Jindabyne, including Shoalhaven.
- **Housing Trust:** A Tier 1 Registered CHP serving the communities of the Illawarra and Shoalhaven. It manages social and affordable housing and has delivered award winning affordable rental housing projects.
- **Safe Waters Community Care Inc:** A not-for-profit charity organisation located in Ulladulla, offering supported crisis accommodation and related services to vulnerable people in the local area.
- **Shelter NSW:** An independent, not-for-profit, member-driven organisation that advocates for better housing outcomes.
- **Community Industry Group:** A peak body working for not-for-profit community services and organisations in southern NSW. It supports community organisations, community development, and advocates for social justice.
- **Department of Planning, Housing, and Infrastructure:** The NSW Government Agency helping the NSW Government make and implement planning and land use decisions.

- **Homes NSW:** The NSW Government Agency managing maintenance, tenant, and homelessness services (incorporating the Department of Communities and Justice, Land and Housing Corporation, and the Aboriginal Housing Office).
- **Property Council of Australia:** A peak industry body representing the property industry which facilitates industry advocacy, research, events, and professional development.
- **Urban Development Institute of Australia:** A peak industry body representing the leading participants in urban development across NSW.

Most of the submissions supported the preparation of the draft Strategy, the identified actions, and Council's continued work to help deliver affordable housing. Several organisations offered to collaborate with Council on proposed advocacy, education, and feasibility testing activities.

Several submissions raised concerns about Council's role in delivering or facilitating the supply of affordable housing, or objected to attempts to increase the amount of affordable housing in Shoalhaven. Several other submissions commented on Council's implementation of its current Affordable Housing Strategy, which was adopted in 2017.

The submissions focussed on the following matters as well as each of the actions identified in the draft Strategy:

- Support for, and opposition to, affordable housing, including Council's role in contributing to the delivery of affordable housing, and the need for a Strategy.
- Implementing the Strategy and monitoring the effectiveness of the actions and work set by the Strategy.
- Affordable housing targets, development feasibility, and an affordable housing development contributions scheme.
- Role of Tiny Homes in housing availability and affordability.
- Impact of short-term rental accommodation on housing availability and affordability.
- Dwelling diversity, the design of affordable housing, and incorporating sustainable initiatives into affordable housing.
- Advocacy and collaboration opportunities with the Federal and NSW Governments.

A range of adjustments to the draft Strategy were recommended and incorporated into the final Strategy in response to the feedback received, as summarised in this report.

General *feedback*



2. General Feedback

A. Support for Affordable Housing and the Strategy

Total submissions: 12

Feedback

Community Feedback

Four submissions support improving the supply of affordable housing and the draft Strategy, with one of the submissions expanding on the importance of meeting all the communities' housing needs.

"I think the Strategy is well thought out [...]."

"Adequate housing is vital for human dignity, personal development, life integrity, and consequentially a stable society is also at stake."

"The Huskisson Woollamia Community Voice would like to strongly endorse the commitment to affordable housing being made by the Shoalhaven City Council."

One submission highlights the importance of proper precinct planning to provide quality housing in accessible areas supported by community facilities and support services.

"I support improving the affordability of housing for people with low to middle incomes. Affordable housing should provide a good level of housing and other services – and be in accessible areas."

Agency Feedback

Two submissions were made by Homes NSW, including one from the Department of Communities and Justice who now sit within the broader Homes NSW agency. Both were supportive of the draft Strategy and Council's efforts to address the housing affordability challenge.

Industry Feedback

Southern Cross Housing and the Housing Trust support the draft Strategy and Council's proposed work.

"Southern Cross Community Housing applauds Council's continued commitment to Affordable Housing. We support the actions in principle as outlined in the draft Strategy"

"Housing Trust congratulates Shoalhaven City Council on the development of the Draft Affordable Housing Strategy drawing upon thorough research and evidence-based actions."

The Community Industry Group reinforce the importance of providing affordable, appropriate, and accessible housing and the need for urgent action.

"The shortfall of approximately 3,300 affordable dwellings [...] highlights a pressing need for immediate action. This deficit jeopardises rental affordability, potentially exacerbating housing challenges for low-income households."

The Property Council of Australia supports the Strategy and Council's continued work.

"Overall, we support Council's commitment to Affordable Housing and the development of a revised strategy to continue carrying out initiatives to support the delivery of affordable housing across the LGA."

One submission from a planning consultancy confirmed it had no concerns with suggested actions.

"As both Council and the community are concerned that affordable housing is critical, so the development industry echoes these concerns and we generally have no concerns with the suggested actions of the Strategy."

A submission from a licenced builder supports the Strategy, recognising the importance of providing affordable housing in Shoalhaven.

"This is a great idea. Home ownership or access to affordable housing needs to be recognised as a human right of citizens. It encourages hope, hard work, and long-term commitment in contented populations, communities, families and individuals."

Consideration of Feedback

The broad support for the development and implementation of the draft Strategy is noted.

Recommended Response

Nil.

B. Opposition to Affordable Housing

Total submissions: 2

Feedback

Community Feedback

Two submissions oppose efforts to increase the supply of affordable housing. One submission raised concerns about potential residents and increased rates of crime.

"I do not want affordable housing in Shoalhaven. It will just import the slums to Shoalhaven. We do not want to encourage the poor to the area. With that will come crime, break-ins, murders [...]."

Consideration of Feedback

These submissions correspond with feedback from the community housing sector about the negative perceptions associated with affordable housing, and the need for concerted community education campaigns to help overcome these perceptions.

Housing affordability is essential to enable the City to function, and provides a range of economic and social benefits to local communities. Having affordable homes to rent or purchase allows young people, key workers and those suffering financial hardship to stay within communities, working in local jobs and contributing to the community fabric.

Affordable housing provides flexibility for lower-income households to choose where to live within Shoalhaven. For individuals, this avoids the displacement of long-term residents from communities, decreases in social cohesion, lower engagement with community activities, and increased isolation from family networks. For communities, affordable housing can create and enhance community identity, as residents choose to locate in an area out of preference rather than economic necessity, creating close-knit, mutually supporting networks.

Economically, affordable housing allows individuals and families on lower incomes to meet other essential living costs, such as food, clothing, transportation, medical care and education. Where affordable housing is not available, households need to choose between these living costs or move to a more affordable area, often further away from their places of employment. This can reduce the availability of workers for essential services like childcare, aged services, health care, tourism, hospitality, and emergency services. Such a reduction in worker availability can adversely affect local economies and is contributing to labour shortages in some regions of NSW.

Raising community awareness about the nature of these benefits, potential residents, and the different types of affordable housing will continue to help overcome historic notions of low socio-economic communities living in poor quality, overcrowded housing.

A community education campaign is proposed in *Action 2.8 Run an education campaign about the benefits of affordable and diverse low-cost market housing*. This is currently proposed as a medium-term action (to be completed within 2–4 years) but greater urgency is required for work to help overcome negative perceptions.

Recommended Response

1. Adjust the timeframe for Action 2.8 (Run an education campaign about the benefits of affordable and diverse low-cost market housing) from medium-term (2 to 4 years) to short-term (within 2-years).

Strategy Amendment

This action has been adjusted to “short-term”. It is now Action 1.8 in the final Strategy.



C. Council's Role in Delivering Affordable Housing

Total submissions: 5

Feedback

Community Feedback

Three submissions queried Council's role in delivering affordable housing, stating that it is a matter for State and Federal Governments. Some submissions asked Council to focus on meeting the communities' more immediate needs (e.g. road repairs, maintenance of open space, rubbish collection etc.).

"Affordable housing is an issue for State and Federal Governments. Council needs to focus on what rate payers deserve. Rubbish, roads, and cleaning up the local towns and villages."

"Council has no business in housing strategies. Get back to the basics. Fix the roads. Keep the parks and gardens nice."

One submission shared an opinion on Council's role and ability to deliver affordable housing, noting the important role of new, well-designed community facilities, parks, and open space to support new and diverse communities.

"Council's ability to assist the [...] supply of affordable housing is limited mostly to introducing new legislation, guidelines, planning, [...], but mostly in new community [...] facilities and areas [...] to minimise development of a neighbourhood [...] of lower socioeconomic groups."

The Huskisson Woollamia Community Voice (a Council-endorsed CCB) supports Council's contribution to delivering affordable housing.

"We are aware that many studies have shown that keeping people housed in safe, comfortable homes is important to individual wellbeing, but also community wellbeing. Good housing results in greater involvement in the workforce and the community."

Consideration of Feedback

Council's Commitment

Council has made significant commitments to facilitate and directly increase the supply of affordable housing. Council can have a role in increasing the supply of affordable housing and has many opportunities to do so because of its range of functions, such as setting land use planning policy, influencing and managing development outcomes, advocacy activity with other responsible organisations, and as a landowner and developer.

Council's Community Strategic Plan (CSP) (Shoalhaven 2032) sets out Council's priority to support inclusive, safe, and connected communities and the work to address the

communities' housing needs. Council commits to develop plans that enable a variety of affordable and appropriately serviced housing options. This includes the preparation of an updated Affordable Housing Strategy. Copies of the CSP and its supporting Delivery Program Operational Plan are available on Council's website.

Council's adopted Local Strategic Planning Statement (LSPS) (Shoalhaven 2040 - [link](#)) confirms a range of land use planning priorities and work for Shoalhaven. *Planning Priority 1 Providing homes to meet all needs and lifestyles* sets actions to:

- Implement Council's Affordable Housing Strategy 2017, and
- Prepare an affordable housing development contribution scheme (requiring new developments to provide or pay for affordable rental housing).

Council has also decided to update its current Affordable Housing Strategy from 2017.

Council's Collaboration Activities

Council is a member of the Illawarra-Shoalhaven Affordable Housing Roundtable and collaborates with the State Government, other councils and organisations on a range of work to increase the supply of affordable housing in the Region. Council has also directly contributed to the supply of affordable housing in Shoalhaven by partnering with the NSW Government and Southern Cross Housing to build a 39-unit affordable housing project on former Council-owned land in Bomaderry.

Social Housing

Social housing, sometimes also called public housing, is different from affordable housing. Social housing is secure and affordable rental housing provided by the NSW Government (Homes NSW) for those people unable to access suitable accommodation in the private rental market. More information about this type of housing is provided on the Homes NSW website ([link](#)).

Infrastructure and Service Planning

Council's Community Infrastructure Strategic Plan 2017-2036 ([link](#)) provides a framework to guide the planning and management of open space and community facilities owned and/or managed by Council. The review of the current plan is underway to ensure Council's delivery of facilities continues to meet the communities' needs. More information on this project is available on Council's Get Involved Project Page ([link](#)).

Recommended Response

Nil.

D. Implementing and Monitoring the Effectiveness of the Strategy

Total submissions: 10

Feedback

Community Feedback

Two submissions were critical of Council's work to deliver the new homes required by Shoalhaven's communities.

"Council's plans to date have demonstrated an inability to deliver the required housing supply in the Shoalhaven."

The submissions also raised concerns about the interaction of the Strategy with the proposed Strategic Growth Principles proposed to be embedded in Council's LSPS, which were placed on public exhibition alongside the draft Strategy.

One submission called for more direct action from Council. Another submission queries the availability and use of contemporary and accurate data. One submission endorsed the proposed annual reporting on the implementation of the Strategy.

"I [...] would like to see a new council take up this challenge, as the current council would appear to be ineffectual in this space."

Agency Feedback

Homes NSW offered to collaborate with Council on a range of activities to implement the final Strategy. It also provided a range of statistics and related information to inform future work on increasing the supply of affordable housing.

Industry Feedback

Southern Cross Housing seeks more transparency in the monitoring and review process.

"Making the evidence easily available will assist in the community understanding where and how these objectives were achieved."

The Community Industry Group welcomes the inclusion of the proposed audit, tracking of key performance indicators, and publication of an annual report. However, the Group is critical of the draft Strategy and Council's implementation of the existing Strategy. It calls for a full review of the existing Strategy to identify which actions have been achieved and which actions need to be replicated.

"[...] response from CI Group members operating in the Shoalhaven suggests that the Council's new 2024 Draft Affordable Housing Strategy is a step backwards on the 2017 Affordable Housing Strategy."

The Group states the draft document lacks the robust, clear, place-based, time specific, trackable outcomes of the previous strategy and calls for improved actions which

address diverse community needs. It also requests enhanced public engagement in decision making processes. The Group also seeks improved long-term planning to ensure a range of matters are accounted for in affordable housing decisions.

“Incorporate specific quantitative targets in the monitoring framework to measure success and guide strategy adjustments. Establish measurable goals, such as targets for affordable housing units or improvements in affordability metrics.”

The Property Council of Australia stresses the importance of setting key performance indicators, regularly monitoring outcomes, and regularly reporting back to stakeholders. The submission requests Council present the annual report to industry bodies and CHPs to collectively examine challenges and opportunities.

“We propose that Council meet with industry bodies and CHPs as a part of the annual review process to discuss what is working and what isn’t working, to explore the barriers to success and what the opportunities are.”

A submission from a planning consultancy states the draft Strategy misses the opportunity to increase the supply of affordable housing and falls short of addressing barriers in Council’s control that may make housing and land more affordable. This includes a program to prioritise the delivery of affordable housing, address development assessment delays, and reduce infrastructure requirements.

Consideration of Feedback

Strategic Housing Work

Council’s LSPS provides a record of Council’s current and future work to identify and meet the communities’ broad housing needs. This document confirms the current housing demand and supply which is informed by detailed population forecasts and the following strategic land use planning documents:

- Growth Management Strategy 2014 ([link](#))
- Nowra-Bomaderry Structure Plan 2008 ([link](#))
- Jervis Bay Settlement Strategy 2003 ([link](#))
- Sussex Inlet Settlement Strategy 2007 ([link](#))
- Milton-Ulladulla Structure Plan 1996 ([link](#))

The growth recommendations provided by these documents have been, and continue to be, implemented through adjustments of planning rules such as rezoning new urban areas. This work will facilitate the delivery of approximately 12,700 of the 14,600 new homes required by 2041. Council is also preparing a new land use planning scheme for Shoalhaven to respond more broadly to the scale and scope of change experienced across Shoalhaven in recent years, legacy planning matters, and current and emerging land use planning challenges including the housing targets recently issued by the NSW Government (for 4,900 new homes by June 2029).

The new Scheme will include the development of a suite of contemporary land use plans and strategies, including a City-wide Housing Strategy. Current work on the new Scheme includes the draft Strategy and settling Strategic Growth Principles to guide future work.

Delivering Affordable Housing

The draft Strategy identifies several actions for Council to contribute directly to the delivery of affordable housing. These include the preparation of an affordable housing contributions scheme (raising funds for the delivery of affordable housing), using Council's land (to deliver affordable housing), and partnerships with CHPs, developers, and other government agencies.

Other actions are indirect and will influence or facilitate work to increase the supply of affordable housing. These include new development controls for manufactured home estates (MHEs), increased density in suitable locations, and advocacy activity.

Homes NSW's offer to assist Council to implement the final Strategy is appreciated. Council has an existing collaboration agreement with the NSW Land and Housing Corporation (now Homes NSW). This Agreement was executed in May 2023 and has a 3-year review period. The review of the Agreement provides opportunities to increase the role of Homes NSW in the implementation of the final Strategy.

Monitoring, Review, and Annual Reporting

The draft Strategy sets a monitoring and review framework, including an annual report on the progress of each of the actions. This annual report will be published. Key to the framework are the identified monitoring indicators that include measures such as the number of affordable homes delivered, number of affordable sales or rentals, and median weekly rental and sale prices. There is opportunity to expand the reporting actions for the framework to include presentations and collaboration with stakeholders. The framework is also a consideration when prioritising and resourcing work to implement the Strategy.

Contemporary and accurate data will inform advocacy and education activities, formulation of planning policy, and monitoring activities. Some information is immediately available through the suite of demographic information Council shares online. This includes population forecasts ([link](#)) and a housing monitor ([link](#)). There are opportunities for the Federal and State Government to build and share a database identifying the number and ownership/management arrangements for social and affordable housing.

Community Consultation

Several of the draft actions include further community consultation activities. Council undertakes a range of consultation and engagement activities for its work, which are governed by its Community Engagement Policy and Community Participation Plan. These measures ensure broad community and stakeholder engagement on Council's

work. Further information on Council's engagement activities is available on Council's website.

Implementing the 2017 Strategy

Council adopted the current Affordable Housing Strategy in 2017, setting a range of policy directions to facilitate the delivery of affordable rental housing and improve the affordability of housing more generally. The current Strategy was designed to be implemented over 10 years, setting actions with short timeframes (0-3 years), medium timeframes (3-5 years), and long-term timeframes (5-10 years). Initial work addressed the supply of affordable rental housing with the development of surplus or underutilised Council-owned land in partnership with a CHP. Longer-term actions focus on opportunities presented by land use planning activity.

A summary of the implementation of the current strategy is provided as Appendix A. Most of the short-term actions have been implemented, and work continues on the medium-term actions. Work on the long-term actions is yet to be programmed. The need to balance work on implementing the Strategy and a range of competing priorities has delayed work on some of the actions. Most of these have been carried over into the draft Strategy where relevant.

The current Strategy has reached its recommended 5-year review period, which coincided with a NSW Government funding initiative – the *Regional Housing Strategic Planning Fund*. Council took the opportunity and applied for funds to prepare the updated Strategy and several pieces of associated research.

Recommended Response

2. Include an additional advocacy action calling for the Federal and NSW Governments to publish their data for social and affordable housing.
3. Expand the proposed monitoring and review framework to measure the effectiveness of implementing the Strategy to include consideration of an annual presentation to stakeholders such as industry bodies and CHPs.

Strategy Amendment

The draft Strategy included two short-term advocacy actions relating to affordable housing issues (Action 1.6 and 1.7). These actions have now been collated into a single short-term action ("*Action 1.7 – Continue advocacy to the NSW Government and Federal Government on affordable housing issues*") with a number of principal delivery tasks that respond to a range of key affordable housing issues. Included in this is an advocacy task to call on the Federal and NSW Government to publish data for social and affordable housing.

The monitoring and review framework in Part 5 of the Strategy has also been expanded to include the preparation and presentation of progress reports to key stakeholders and collaboration partners.

E. Affordable Housing Targets

Total Submissions: 1

Feedback

Community feedback

Nil

Industry Feedback

The Housing Trust suggests setting targets to provide a goal for Council to work towards, and allow for, more effective monitoring of the effectiveness of work to implement the Strategy.

“Setting clear, measurable affordable rental housing targets provides a concrete goal for Council to work towards and allow for more effective monitoring of progress.”

Consideration of Feedback

The draft Strategy identifies the need for affordable housing in Shoalhaven in 2021 (the date of the last Census) at about 3,300. However, population growth and rising rental and purchase prices have likely made this shortage worse. The provision of Affordable Rental Housing (housing available to rent and managed by CHPs) is part of the solution to providing affordable housing. The draft Strategy includes other measures to help improve the affordability of housing more generally.

The draft Strategy outlines the dynamic environment of delivering any form of affordable housing and the challenges it presents. This includes the planning framework, the number of stakeholders, and the number of systems influencing housing affordability. These include, for example, planning incentives, construction costs, land availability, finance considerations etc. Targets are useful to measure progress towards a goal and to reflect on and adjust work to attempt to meet that goal. However, the more complex a system is, the less useful targets become. Until work is underway to implement the Strategy, it is unclear how effective any measures to improve housing affordability are.

The draft Strategy sets a monitoring and review framework, including an annual reporting process on the progress of actions. This framework will identify the amount of affordable housing delivered and the impact of the work on improving housing affordability.

Recommended Response

Nil

F. Incentives and Barriers to Providing Affordable Housing

Total submissions: 2

Feedback

Agency Feedback

Homes NSW made several recommendations to incentivise the supply of affordable housing:

- Exempt social and affordable housing from local infrastructure development contributions because affordable housing is a type of social infrastructure.
- Remove minimum parking requirements for affordable housing located within 800m of public transport.
- Consider, and advocate for, inclusionary zoning that mandates a proportion of all new residential development to provide affordable housing dwellings.
- Support diverse housing outcomes by permitting residential flat buildings in all residential zones, and control development outcomes with development controls such as height of buildings, floor space ratios, and building setbacks.

Safe Waters Community Care highlighted some of the challenges of providing crisis accommodation, noting they operate differently to group homes and other forms of residential accommodation and fall through the gaps when seeking development consent. The submission calls for flexibility in the current framework to provide exemptions for crisis accommodation and allow for extenuating circumstances (such as during natural disasters).

"[...] build in flexibility - because humans and life are complex and there is no 'one-size fits all' model - this would make things more manageable on the ground and for applying for DA's, tiny homes, approvals etc."

Industry Feedback

A licensed builder identified the numerous challenges associated with the release of new urban areas and/or land for affordable housing, noting the cost of providing necessary infrastructure. The submission also identified a skills shortage in the construction industry, and Council's planning requirements as potential barriers.

The submission identified potential solutions such as tax adjustments to subsidise land release and provide infrastructure, increasing opportunities for landowners to deliver smaller types of homes, Council-led delivery, and less restrictive planning controls.

Consideration of Feedback

Overcoming Barriers

The draft Strategy and supporting research attempt to identify the barriers to providing affordable housing, including those mentioned in the submission, and solutions to address them. The draft Strategy sets a range of actions for Council to:

- Directly deliver affordable housing potentially using its land,
- Levy development to provide or pay for affordable housing,
- Influence others to provide affordable housing,
- Adjust planning controls to allow more diverse and affordable homes, and
- Provide dwelling assessment support.

Planning Controls

The draft Strategy focuses on actions to increase the supply of affordable housing and improve the affordability of housing more generally. It does not address other parts of the housing spectrum such as homelessness or crisis accommodation.

Council is limited to the defined land uses provided in the NSW Government's template for local environmental plans. It also has no ability to add land use definitions (for crisis shelters). Given the broad scope and flexibility of the current definition of *transitional group home*, this land use is considered to cover or include crisis shelters.

Suggested incentives are outside the scope of the draft Strategy but there are opportunities to consider them during Council's preparation of the new Land Use Planning Scheme, which includes a review of the Local Infrastructure Contributions framework and the preparation of a City-wide Housing Strategy.

Tax Regulation

The Federal and State Governments are responsible for tax regulation. However, Council seeks to capture the value uplift of residential rezonings to deliver infrastructure to enable development and support future communities. This is achieved through local infrastructure contributions, which levy development to provide infrastructure. Council also accesses Government funding to provide infrastructure.

Recommended Response

Nil

G. Location and Diversity of Affordable Homes

Total submissions: 6

Feedback

Community Feedback

Three submissions supported increases in dwelling diversity. This includes smaller homes in suitable locations, including medium- and high-density development outcomes such as townhouses and residential flat buildings.

"[...] Council should be looking at building apartment blocks for single dwellers. Not houses that people can't afford the rents for. There are blocks of land that could house many rather than 2 families."

One submission raised concerns about the use of higher-density dwelling types to provide affordable housing in areas where community values, or other values such as heritage and local character, are sensitive to change.

"Affordable housing, particularly higher density housing, is not appropriate for all areas [...]. Living next to high or even medium density housing is not appropriate [...] even if it only impacts on those living adjacent."

One submission expanded on these concerns by stressing the importance of balancing increasing the supply of affordable housing with potential social and environmental impacts. This submission identifies considerations such as the loss of private open space, reduced vegetation, increased urban heat, and decreased water quality.

"This document is heavily polarised toward development and should provide a more balanced view of ALL factors. [...]. Concerns around social and environmental impact are genuine and real [...]."

Industry Feedback

Shelter NSW recommends reviewing the viability of certain land use zones to further the objectives of infill and mixed-use development and to cluster new dwellings in greenfield areas to limit bushfire risk and mitigation activities.

Consideration of Feedback

Dwelling Location

The planning and policy framework for affordable housing permits the construction of various types of affordable housing on land zoned low, medium, and high-density residential development, as well as most town and village centre locations. Most locations in Shoalhaven have a need for affordable housing but their role in providing such housing may be curtailed due to the services and infrastructure they currently provide, or because of environmental constraints such as flooding and bushfire.

In areas with community values, or other values sensitive to change such as heritage items and places, the type and design of affordable housing is increasingly important. Affordable housing does not necessarily need to take the form of medium- or high-density dwelling types. Proposals for affordable housing in sensitive locations are managed through the development assessment process. This process requires consideration of the compatibility of a development with the character of the local area.

Council is working to improve the consideration of local character in the preparation and assessment of development applications. Council is proposing new objectives to assist with this in the City-wide Local Environmental Plan (LEP) and has adopted the Shoalhaven Character Assessment Report. This document identifies the character of an area and the need to maintain, protect, or enhance it as development and other planning work occurs. A copy of the Shoalhaven Character Assessment Report is available online ([link](#)). Further information about Council's work on local character is available on Council's website ([link](#)).

Dwelling Diversity

Increasing the diversity of dwellings in Shoalhaven may help improve housing affordability by providing a range of homes to meet the communities' housing needs. An increase in the supply of well designed, compact, and easily maintained homes could help return larger homes to the market. These homes in turn meet the needs of other households, effectively increasing the supply of suitable homes and potentially lowering the price of housing.

Strategic land use planning documents such as Local Housing Strategies and Affordable Housing Strategies identify opportunities and work to increase dwelling diversity. Several actions in the draft Strategy seek to facilitate an increase in dwelling diversity through increasing residential densities and pilot projects demonstrating exemplary housing types.

Importantly, these actions specify that any future adjustment of planning controls to increase densities should be informed and tested through extensive strategic planning processes, including community consultation.

Recommended Response

Nil.

H. Design of Affordable Housing including Sustainable Initiatives

Total submissions: 6

Feedback

Community Feedback

Five submissions suggested measures to improve the design of affordable housing to:

- Ensure it respects community values about local or neighbourhood character,
- Include features that meet the needs of and improve the amenity for residents.
- Improve resilience to extreme weather events, and
- Ensure that it is appropriately maintained.

"Affordable housing needs to definitely be in keeping with Shoalhaven's values."

"We need smaller homes with greater capacity to withstand the increase in extreme weather events."

"It's really important to make sure affordable housing is affordable to live in, e.g., well insulated, not at risk of damp, access to solar energy [...]."

"The lower floors aimed at those requiring easy access. Balcony sliding privacy screens to control light and privacy (washing) and make balconies more user friendly."

"Serious consideration must [...] be given to the ongoing maintenance of affordable housing so that they do not become the slums of the future!"

One of the submissions recognised the delivery of affordable housing will involve compromises such as the size of new homes. One submission highlighted the need for sustainable initiatives such as space to grow food.

Consideration of Feedback

In December 2023, the NSW Government implemented reforms to enable state housing agencies to deliver projects more efficiently and encourage developers to deliver affordable housing. These reforms included accelerated approval pathways and incentives such as height of building and floor space bonuses.

The NSW Government's associated planning and policy framework sets development standards for landscaping, the size of internal areas, solar access, and car parking. The framework also includes design requirements requiring consideration of the compatibility of a development with the character of the local area. This framework limits the opportunities or effectiveness of Council developed controls. More information on the NSW Government's framework is available online ([link](#)).

Council is working to improve the consideration of local character in the preparation and assessment of development applications. Council is proposing new objectives to assist with this in the Shoalhaven LEP 2014 and has adopted the Shoalhaven Character Assessment Report. This document identifies the character of an area and the need to maintain, protect, or enhance it as development and other planning work occurs.

Action 2.3 Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing in the draft Strategy provides opportunities to prepare development controls which either supplement the bonuses for good design or support the bonuses by raising the standard of development and design outcomes. The implementation of this action will be informed by the review of current planning and development controls and best practice examples.

Most affordable rental housing is owned and managed by CHPs. These are generally not-for-profit organisations that manage the properties they own.

More broadly, Council's future preparation and implementation of a Local Housing Strategy will identify a range of opportunities to improve the resilience of new homes to extreme weather events.

Sustainability Initiatives

The draft Strategy focuses on increasing the supply of affordable housing. Opportunities to improve the design of new affordable housing, including the provision of communal or private open space are limited (see [Part G](#) of this report). Community-led initiatives for food production and food security are outside the scope of the draft Strategy.

Recommended Response

4. Adjust Action 2.3 (Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing) to include the preparation of development controls which support and supplement the targeted height of building and floor space bonuses.

Strategy Amendment

Action 2.3, and its supporting principal delivery task, have been amended to include the preparation of development controls that support and supplement targeted bonuses.

I. Tiny Homes

Total submissions: 3

Feedback

Community Feedback

One submission called for variety in small home innovation including house boats, Tiny Homes, and conversions such as buses and caravans.

"[Allow] variety in small home innovation including house boats, tiny homes, and conversions such as buses and caravans."

One submission identified several councils in New South Wales that have approved the use of Tiny Homes and caravans for long-term rental accommodation to ease the cost of living and address the rental availability and affordability situation.

"I have just been reading about a number of NSW councils that have approved the use of tiny homes/caravans for long term rentals to ease the cost of living and rental crisis. Is this something you would consider please?"

Agency Feedback

Homes NSW provided examples of successful Tiny Homes projects.

Consideration of Feedback

The current legislative and regulatory framework for Tiny Homes is primarily controlled by the NSW Government, who are currently working to improve this framework through a comprehensive review of the planning and approval processes for caravan parks, camping grounds, MHEs, and moveable dwellings. This is occurring in two stages and aims to:

- Simplify and streamline the planning and approval process.
- Balance the needs of short-term tourist accommodation and long-term residents.
- Improve the design, location, and amenity of future developments.

From November 2023 to January 2024, the NSW Government exhibited proposals for Stage 1 of the review, which focussed on updated standards for flooding and fire safety. The NSW Government is now considering the feedback it received in response to its exhibition. Stage 2 of the review, due to be exhibited later this year, will deal with the broader issues of definitions and permissibility, and ensure that the planning system isn't a barrier to use of manufactured homes outside parks and estates.

Further information on the NSW Government's review is available online ([link](#)).

Action 1.6 Continue advocacy to the NSW Government around Tiny Homes and their potential in Shoalhaven of the draft Strategy requires Council to advocate for the NSW

Government to continue its adjustment of the legislative and regulatory framework to provide certainty for Council, owners, and builders, and ensure Tiny Homes are built to a *suitable standard*.

Action 2.7 of the draft Strategy includes work to create a fact sheet to explain and simplify the regulatory framework for those interested in using or providing a Tiny Home for long-term residential accommodation.

Recommended Response

Nil.

Strategy Amendment

Although no amendments were proposed in response to these submissions, Action 1.6 of the Strategy was amended by collating the two short-term advocacy actions in the draft Strategy into a single short-term action (*"Action 1.7 – Continue advocacy to the NSW Government and Federal Government on affordable housing issues"*) with a number of principal delivery tasks that respond to a range of key affordable housing issues. Action 1.6 from the draft Strategy is now represented as a principal delivery task in Action 1.7 of the final Strategy.



J. Short-Term Rental Accommodation

Total submissions: 9

Feedback

Community Feedback

One submission states there is little value in increasing the supply of housing in coastal towns as there is already an abundance of empty homes and any new homes will be purchased by investors and used as short-term rental accommodation.

“No point building affordable housing in a coastal town as there are already plenty of empty homes in the area.”

Several submissions suggest the need for broader reform to manage short-term rental accommodation, including:

- Setting caps on the number of properties or how many days they can be used,
- Increasing planning and approval requirements, and
- Introducing incentives for non-residents to transfer dwellings to long-term rental accommodation.

“[...] the abundance of short term rentals seems to contribute to our shortage of affordable rental properties as owners can make more money by renting over holiday periods than providing a permanent rental.”

“[...] I would like to suggest that Shoalhaven council put a cap on air B and Bs and holiday homes to rent for holidays and to also make it so a DA has to be applied for when making a home a holiday rental property.”

“[Introduce] incentives for non-residents to convert all or part of a home to long v’s short term rentals.”

One submission highlighted the need for more consideration of managing short-term rental accommodation.

“[...] only a cursory mention of holiday accommodation versus long-term rental accommodation.”

Industry Feedback

Shelter NSW provided a range of recommendations for the better regulation of short-term rental accommodation, including research, day cap thresholds, and monitoring activity.

A submission from a licenced builder raised concerns with the use of Shoalhaven’s stock of dwellings for short-term rental accommodation, including impacts on housing affordability, amenity, and community cohesion.

“State and Local governments need to have and use the power to restrict how and where temporary accommodation is allowed to be operated. [...]”

Consideration of Feedback

On the night of the 2021 Census, 12,794 of the 58,798 dwellings in Shoalhaven were recorded as unoccupied, representing nearly 22% of all homes. There are currently about 4,300 short-term rentals operating in Shoalhaven, or 7.5% of all homes. This suggests there are multiple other reasons for unoccupied dwellings besides short-term rentals, including residents being away from home temporarily, vacant dwellings being for sale or in-between tenants, or dwellings being used as second or private holiday homes.

The current planning policy and regulatory framework for short-term rentals is primarily controlled by the NSW Government. This framework permits, without the need for Council approval, the use of existing dwellings as short-term rentals year-round. In early 2024, the NSW Government sought feedback on this framework and options to encourage the supply of long-term rental accommodation. Council provided feedback to the NSW Government covering the many challenges and opportunities for managing short-term rentals and increasing the supply of long-term rentals. This included potential measures to manage short-term rentals, incentives to encourage the conversion of properties to long-term rentals, and revenue raising opportunities.

The NSW Government is now considering all submissions and investigating potential policy changes. Council needs to wait for the completion of the review to identify and implement potential changes or incentives to encourage the conversion of properties to long-term rental accommodation. Further information on the NSW Government's policy and regulatory framework is available online ([link](#)).

Towards the end of 2022, Council ran a campaign to reach non-resident ratepayers and short-term rental accommodation owners urging them to consider renting their dwellings longer term to contribute to the supply of long-term rentals. A review of the success of the campaign in March 2023 indicated approximately 20 homes were made available for long term rental accommodation. Opportunities for future campaigns will be based on the outcomes of the NSW Government's review of the short-term rental accommodation framework and the options it may identify and enable.

Recommended Response

Nil.

K. Social Housing, Homelessness, and Crisis Accommodation

Total submissions: 3

Feedback

Community Feedback

One submission stressed the importance of addressing the entire housing spectrum to ensure all the communities' housing needs are met.

"Responsive and creative provision for diverse housing meeting needs of lower income households and those already homeless or at risk. There is also the large group of totally homeless people who need any housing, suitable housing, affordable housing."

Industry Feedback

Shelter NSW recommends Council:

- Advocate to the NSW Government on a range of affordable and social housing matters, including its delivery of new homes, targets, the number of homes made available to Aboriginal communities, and the provision of homes when developing government-owned land.
- Ensure future agreements with Homes NSW include an evidence base for development and zoning proposals, robust, clear and identifiable targets, and design standards for new homes.
- Ensure that new social housing occurs in well-located, mixed use, infill neighbourhoods.

"Ensure new Social Housing acquisition/construction predominantly occurs in well-located, mixed use, infill neighbourhoods rather than in greenfield sprawl estates."

The Community Industry Group seeks the inclusion of an overview of how the Strategy complements broader efforts to provide social housing and prevent homelessness. It identified opportunities to integrate social housing initiatives and coordinate work with government agencies and community organisations.

Consideration of Feedback

The Federal and State Governments hold the primary role of funding and providing social housing and services to assist people who are homeless or at risk of homelessness. Council is not a housing provider and is not funded to directly deliver or fund housing or homelessness services. Council helps address homelessness by assisting and complementing the work of other tiers of government and the community sector, who are the primary facilitators of solutions to homelessness and crisis accommodation.

Council is working in partnership with government agencies, community organisations, and members of the community to help more people who are doing it tough access the support they need. This includes Council's Homelessness Advisory Committee, Community-led Plan for Homelessness, the Mayoral Relief Appeal, Thrive Together Donation Drive and Fair, and the Mayor's Giving Box.

Council advocates on a range of social housing and homelessness related matters. This activity occurs and can continue outside the scope of the draft Strategy. This activity will be informed by Council's or the publicly available evidence base and reflect elected Council's considered policy position, which may not necessarily align with those of other organisations.

Council has also entered into a Collaboration Agreement with the NSW Land and Housing Corporation (now Homes NSW). This agreement details how Council and the Corporation will work together to identify and deliver key priorities, to ensure those in need have a safe, accessible, and affordable place to live. Future reviews of this Agreement provide opportunities to identify additional roles, responsibilities, and desired outcomes.

Council also led the preparation of a Community Led Plan for Homelessness. This Plan sets out focus areas, actions, desired outcomes, and resources identified through the collaborative efforts of the homelessness sector. The Plan helps direct community efforts to identified areas of concern in much need of support. The four focusses of the Plan are early intervention and collaborative support, community awareness and education, advocacy and lobbying, housing and accommodation.

More information on Council's work is available online ([link](#)).

Recommended Response

Nil.

L. Advocacy Activities

Total submissions: 4

Feedback

Community Feedback

One submission refers to the NSW State Strategic Plan for Crown Land – Crown Land 2031 ([link](#)) and the opportunities to use Crown Land to provide affordable housing. It identifies potential development and ownership outcomes for specific land in Sussex Inlet.

“[...] I encourage Council to investigate the potential of having the Crown open up a parcel of land adjacent to Government Road and Thomson Street, Sussex Inlet for future low-cost housing.”

Another submission identifies the necessity for significant infrastructure projects which will employ significant numbers of essential or key workers when complete, to deliver residential accommodation.

“Large health care developments such as hospitals and nursing homes should also [...] build simple one-bedroom units or studios in which to house some employees [...].”

Industry Feedback

Shelter NSW asks Council to advocate with the NSW Government for it to:

- Amend its policy for affordable housing to ensure it is provided in perpetuity.
- Provide affordable rental housing when it renews public housing estates and develops public land for residential purposes.
- Amend its planning policy to reduce net-losses of low-rental dwellings and tempering gentrification effects (low-income renter displacement).

The Community Industry Group welcomes the inclusion of advocacy efforts aimed at influencing Federal and State Government policies.

Consideration of Feedback

Permanence of Affordable Rental Housing

Council has a long-held advocacy position that affordable rental housing should be affordable in perpetuity. This position needs to be confirmed in future advocacy efforts.

Using Government-owned Land

The draft Strategy includes *Action 1.7 Advocate for “meanwhile uses” on Federal and State Government land*. This action recognises there is land which is undeveloped and/or held for long-term purposes and confirms Council’s advocacy with

Governments to allow “meanwhile uses” on well-located sites to deliver affordable or low-cost market housing.

Potential opportunities for permanent or “meanwhile use” of Government land will be examined during advocacy activity and the preparation of the Local Housing Strategy.

The NSW Government is conducting an audit of its land to identify surplus sites suitable for social, affordable, or market housing. It has identified an initial 44 sites not being used by the government that are suitable for housing (but has not yet published a list of locations or potential outcome). The government is proposing to make these sites available for housing with Homes NSW and Landcom, the government’s developers, to have first choice of sites for the delivery of social, affordable, essential worker, and market housing.

Homes for Essential Workers

Council has a long-held advocacy position that major infrastructure projects need to include sufficient levels of suitable residential accommodation. This includes:

- Temporary accommodation to support construction and avoid temporary demand, shortages and price fluctuations in the local housing market, and
- Permanent dwellings for the key or essential workers likely to be employed upon completion of new infrastructure, such as regional hospitals.

This position will be confirmed and pursued in future advocacy efforts.

There is a new and immediate opportunity to continue this advocacy work. The NSW Government has organised a Legislative Assembly Select Committee Inquiry on Essential Worker Housing. The Inquiry focuses on establishing a definition of essential worker housing for the NSW Government and identifying options to increase housing supply for essential workers. More information is available on the NSW Government’s website ([link](#)).

Council is supporting Business Illawarra’s work identifying advocacy options and related activity to improve housing solutions and availability for key and essential workers in the region. Business Illawarra is the region’s peak business organisation focussed on economic development in the region. More information about this group and its advocacy efforts are available online ([link](#)).

Recommended Response

5. Include an additional advocacy action focussed on the delivery of temporary and permanent residential accommodation as part of and supporting significant infrastructure projects, to provide affordable housing for essential workers, and avoid impacts on local housing availability.

Strategy Amendment

The draft Strategy included two short-term advocacy actions relating to affordable housing issues (Action 1.6 and 1.7). These actions have now been collated into a single short-term action (*"Action 1.7 – Continue advocacy to the NSW Government and Federal Government on affordable housing issues"*) with a number of principal delivery tasks that respond to a range of key affordable housing issues. Included in this is a task to advocate for the delivery of temporary and permanent residential accommodation for workers on significant infrastructure projects, to avoid impacts on local housing availability.



M. Format of the Draft Affordable Housing Strategy

Total submissions: 5

Feedback

Community Feedback

Two submissions were critical of the document's style, format and ease of access, while a third submission suggested a list of adjustments.

"A typical bureaucratic expensive word fest instead of action"

Agency Feedback

Homes NSW suggested several changes to the document to rectify inconsistencies and/or provide clarification on definitions and the roles and responsibilities of social and affordable housing providers, including:

- Correcting the definition of social housing.
- Amending Figure 1 (Affordable Housing Continuum) to include NSW Homes as a contributor of both social housing and affordable housing.
- Highlighting social housing as a type of affordable rental housing that meets the needs of households with very low to low incomes.

Industry Feedback

The Housing Trust suggests using the term **"Affordable Rental Housing"** rather than "Affordable Housing" to reduce confusion over often-interchangeable terms or principles.

Shelter NSW recommends adopting the legislated definition of Affordable Housing into the Strategy and future Affordable Housing Contribution Schemes.

Consideration of Feedback

The draft Strategy provides an executive summary explaining why the Strategy was prepared, the contemporary need for affordable housing in Shoalhaven, and potential work Council can undertake. An explanatory statement and a series of frequently asked questions and answers were provided to support the public exhibition. There are opportunities to improve the format and presentation of the document and communication of key messages and work from the Strategy to help communities better understand and engage with Council's work.

The State Government's current planning framework refers to "affordable housing" and does not formally define "affordable rental housing". The draft Strategy is consistent with this definition. Nevertheless, affordable rental housing contributes to affordable housing supply. There is an opportunity to expand the glossary in the draft Strategy with this term.

Recommended Response

6. Include and define the term Affordable Rental Housing in the glossary of the final Strategy and provide clarification on the definition of social housing and its role in the housing continuum.
7. Adjust the draft Affordable Housing Strategy to ensure consistent, legible font sizes and formatting conventions, and clarify Figures and Tables.
8. Publish a plain English “fact sheet” summarising the challenges, opportunities and key actions to address housing affordability in Shoalhaven to support the final Strategy.

Strategy Amendment

The final Strategy has been reviewed and undergone minor adjustments to ensure consistency and legibility (including formatting conventions), without altering the intent of the document. These amendments also include the expansion of the Glossary to include and/or provide clarity on a number of additional terms, including Affordable Rental Housing and Social Housing.

A plain English Fact Sheet has also been prepared to support the final Strategy, which is published on the [Get Involved project page](#).

Feedback on *actions*



3. Feedback on Actions

Action 1.1 – Complete a desktop audit of Council-owned land to identify opportunities for future affordable housing utilisation

Total submissions: 4

Feedback

Agency Feedback

Homes NSW agree with this action.

Industry Feedback

The Property Council of Australia supports this action.

Southern Cross Housing also supports this action and encourages Council to categorise any identified land in order of ease to develop. The audit should include information on land classification, planning controls, contamination, constraints, community values etc.

“We strongly encourage Council to continue to make suitable land available for much needed additional affordable housing, partnering with a community housing provider.”

Shelter NSW asks Council to halt any further sales of Council-owned land until this audit is complete, protect opportunities to provide affordable housing outcomes, and work with industry leaders to determine site suitability. It also identifies research findings which may help maximise the use of Council-owned land to provide affordable housing.

Consideration of Feedback

The proposed audit will include comprehensive information on site attributes. There is an opportunity to work with industry to prepare criteria to inform the audit. Council's Property Sales Program balances several competing aims, including maximising financial returns.

Recommended Response

9. Adjust the principal delivery task for Action 1.1 (Complete a desktop audit of Council-owned land to identify opportunities for future affordable housing utilisation) to confirm consultation will occur with CHPs to identify criteria to inform suitable site selection.

Strategy Amendment

The principal delivery task for Action 1.1 has been amended to include consultation with CHPs to identify criteria to inform suitable site selection.

Action 1.2 – Implement an affordable housing contributions scheme

Total submissions: 7

Feedback

Community Feedback

One submission opposed a contribution scheme, stating it would be unequitable.

“[It] would just be a lottery helping out a select few to win a cheap house and unfair to make others pay for it by leveraging the developer.”

Agency Feedback

Homes NSW agree with this action and advocates for Council to transfer ownership of any affordable housing generated through planning mechanisms to a registered not-for-profit CHP. It also referenced a report detailing potential partnership models for providing affordable housing.

Industry Feedback

Southern Cross Housing supports an affordable housing contribution scheme and requests a transparent process in allocating, donating, or investing to housing providers.

Shelter NSW recommends bringing forward the implementation of the proposed contribution scheme, examining opportunities to also levy commercial and industrial development, and refer to the recommendations of related research.

The Property Council of Australia raises concerns about the impacts of the levy on development feasibility and subsequently dwelling supply. It also states funds for delivering affordable housing should not be carried exclusively by new communities but rather be shared equitably across communities. It asks for further feasibility testing.

“We recommend that Council discuss this further with industry and test the feasibility of projects through case studies before implementing this kind of initiative.”

The Urban Development Institute of Australia commends the proposal to prepare a scheme, the consideration of current pressures facing development feasibility, and the understanding of the industry’s need for certainty. The Institute requests future consultation on the preparation of the scheme and associated governance framework and states it should apply equitably across private and publicly owned land.

“[...] an adequate phase in approach allows developers to factor in these Affordable Housing requirements during the land acquisition stage, [...]. The scheme proposed offers a sensible and reasonable expectation of the proportion to be offered.”

Consideration of Feedback

Development Feasibility

Contributions schemes of this nature work by capturing some of the value created when land is zoned for development. This value is transferred from the landowner and not developers or new homeowners as the cost of development, including any contributions, reduces the original or residual land value. Developers will purchase land and undertake development only if they can secure a target return or profit and the market sets the price of new homes.

The setting of this action is informed by the *Shoalhaven Affordable Housing Feasibility and Development Contribution Scheme* research paper ([link](#)). This paper examined the impact and viability of implementing a contribution scheme in Shoalhaven. It assessed numerous typical sites in both greenfield and infill areas and current market conditions.

The research concluded that the current viability of a contributions scheme is challenged by several matters such as rising construction costs, pre-sale requirements, and interest rate increases. It identified the importance of setting expectations for contributions as market conditions improve. The development industry can then factor the contribution into residual land value calculations, i.e. developers will know the maximum they can pay for a site accounting for costs, including contributions, thereby limiting impacts on viability.

The research recommends a cautious framework consisting of a small contribution rate, delayed introduction, incremental increases, and reviews of development feasibility to adjust the rate(s). The research did not test the feasibility of commercial and industrial development. The proposed affordable housing contribution scheme will examine contemporary research, opportunities to levy various types of development, and secure the provision of dwellings, monetary contributions, or dedication of land.

The scheme will be supported with an appropriate governance framework to ensure transparency and manage risk. This framework will examine matters such as how new homes and funds will be collected, managed, and dispersed. The development of the scheme will include further community and industry consultation.

Housing Eligibility

The eligibility requirements to access affordable housing are set by the NSW Government through income tests for very low-, low-, and moderate-income households. CHPs, not-for-profit organisations, manage affordable housing and the associated application and rental processes.

Recommended Response

Nil.

Action 1.3 – Consider planning and development controls to facilitate manufactured home estates closer to urban centres

Total submissions: 4

Feedback

Agency Feedback

Two submissions were made by Homes NSW, including one from the Department of Communities and Justice.

Homes NSW suggested Council remove the term “estates” from this action to facilitate greater uptake of the installation of manufactured homes on residential land. They also suggested the inclusion of an additional action to consider planning and development controls to facilitate manufactured homes as secondary dwellings under ‘direct government delivery’.

“[...] the location [of manufactured homes] should not be limited to ‘manufactured home estates’. [...] some residential lots may be underutilised and suitable for a manufactured home as a secondary dwelling.”

The Department of Communities and Justice raised concerns about the potential amenity impacts of MHEs, and requested clarity on the type of preferred product that Council seeks to promote. Further concerns were raised about the vulnerability of residents of existing MHEs, due to:

- Poor quality housing stock and uncertain tenure,
- Potential risk of homelessness,
- Declining asset value, and
- Poorly located sites in relation to transport and services and exposure to hazards.

Industry Feedback

Southern Cross Housing supports this action noting it will enable manufactured homes to be delivered across Shoalhaven. It also stresses that:

- Planning controls must be flexible and streamline the approval process,
- When controls are used to deliver affordable housing, they must be managed by a CHP, and
- Support services should be provided to support any new estates used for affordable housing.

The Property Council of Australia supports this action.

“We support this action [...] it is a well-tested and popular form of affordable housing that has been given limited opportunity to be delivered due to zoning restrictions and we encourage Council to explore this initiative further.”

Consideration of Feedback

The permissibility of manufactured homes, and the broader application of its definition, is currently subject to review by the NSW Government. This matter is addressed further in the [consideration of feedback on Action 1.6](#).

Action 1.3 will involve a future body of work to ensure any such MHE is of high quality, by investigating and implementing planning controls to identify appropriate and suitable locations, maintain neighbourhood character and amenity, and minimise servicing requirements. This work will provide clarity on the desired planning outcomes for new MHEs.

The current action recognises the opportunity of using MHEs to provide low-cost housing in appropriate sites near urban centres. However, it does not address ownership or management arrangements. The associated delivery task can be expanded to ensure the proposed work considers these matters.

Recommended Response

10. Adjust the principal delivery task for Action 1.3 (Consider planning and development controls to facilitate MHEs closer to urban centres) to include consideration of ownership/management arrangements and the level of support services already available.

Strategy Amendment

The principal delivery task for Action 1.3 has been amended and expanded to include consideration of ownership/management arrangements and levels of support services.

Action 1.4 – Develop strategic principles for affordable housing

Total submissions: 3

Feedback

Agency Feedback

Homes NSW were supportive of the development of strategic principles for affordable housing; however, recommend their inclusion in the Strategy itself.

“Strategic principles for affordable housing should be developed to guide [the Affordable Housing Strategy’s] actions, instead of being one of the actions.”

Industry Feedback

Southern Cross Housing and the Property Council of Australia encourage Council to develop the proposed principles in consultation with the community, industry, and CHPs to ensure they are practical and enable the feasible delivery of affordable housing.

“We encourage Council to develop these principles in consultation with industry and Community Housing Providers (CHPs) to ensure they are practical and enable the feasible delivery of affordable housing.”

Consideration of Feedback

The development of the proposed principles did not form part of the draft Strategy as this future detailed body of work will also include extensive community and stakeholder consultation and testing. Once developed, these principles are intended to be embedded in the Shoalhaven LSPS. Their inclusion will then inform the future development of all of Shoalhaven’s strategic land use planning work, and not just be limited to this Strategy.

Recommended Response

11. Adjust the principal delivery task for Action 1.4 (Develop strategic principles for affordable housing) to clarify that community and industry consultation will also inform the principles.

Strategy Amendment

The principal delivery task for Action 1.4 has been amended to clarify that the strategic principles for affordable housing will also be informed by community and industry feedback.

Action 1.5 – Create a collaboration agreement with preferred Community Housing Providers

Total submissions: 3

Feedback

Industry Feedback

Southern Cross Housing supports the development and implementation of the proposed agreements noting the opportunities for accelerated delivery of affordable housing. The submission stresses the importance of confirming expectations of parties.

“Council [should] play a lead role in facilitating relationships between locally based CHP’s and developers early during the planning process.”

The Community Industry Group encourages Council to expand partnerships beyond CHPs to include developers, financial institutions, and community organisations. It also asks for roles, responsibilities, and expected outcomes from partnerships to be clearly outlined.

The Property Council of Australia states the settling of collaboration agreements with preferred CHPs should not present a barrier to new participants in the sector or across the region.

Consideration of Feedback

The proposed collaboration agreements are not exclusive to existing CHPs. Other actions secure opportunities for the broader market to collaborate with Council to deliver affordable housing (Actions 2.1 and 3.1). The proposed agreements will address and confirm a range of expectations of signatories. The proposed collaboration agreements will set clear roles, responsibilities, and expected outcomes.

The range of advocacy and education activities identified by the strategy provide opportunities to collaborate with a range of stakeholders.

Recommended Response

Nil

Strategy Amendment

This action has been retained in the final Strategy, but is now identified as Action 1.6 (rather than Action 1.5) due to adjustments made to the timing of other actions.

Action 1.6 – Continue advocacy to the NSW Government around Tiny Homes and their potential in Shoalhaven

Total submissions: 5

Feedback

Agency Feedback

Homes NSW supports this action; however, recommends adjusting the timing to short-term.

Industry Feedback

Southern Cross Housing supports this action and offers to collaborate with Council on its advocacy activity.

“Support in principle, we agree that this is another avenue that should be explored and we are also willing to collaborate with Council and others in this regard.”

The Property Council of Australia also supports this action.

The Urban Development Institute of Australia confirmed Tiny Homes are not a defined planning use and addressed the current complexities of the associated planning and regulatory framework, including building standards. The Institute calls for further clarity on the dwelling typology/typologies in Council’s future advocacy work.

A planning consultancy identified the complexities of the legislative and regulatory framework for Tiny Homes, including land use definitions, and multiple approval pathways.

“Continuing to use the term Tiny Homes is creating confusion.”

Consideration of Feedback

The Tiny Homes Research Paper informing the draft Strategy confirms the term Tiny Homes is a marketing term with no current legal definition and identifies the types of dwellings often considered as or referred to as Tiny Homes. These include *secondary dwellings, moveable dwellings, manufactured homes, and caravans*. The draft Strategy refers to Tiny Homes on multiple occasions, but its glossary does not currently include a description of Tiny Homes.

The draft Strategy identifies the complexity of the legislative and regulatory framework, noting it is primarily controlled by the NSW Government. The NSW Government is working to improve this framework through a comprehensive review of the planning and approval processes for caravan parks, camping grounds, MHEs, and moveable dwellings. This is occurring in two stages and aims to:

- Simplify and streamline the planning and approval process.

- Balance short-term tourist accommodation needs and long-term residents' needs.
- Improve the design, location, and amenity of future developments.

The NSW Government exhibited proposals for Stage 1 of the review focusing on updated standards for flooding and fire safety from November 2023 to January 2024. The NSW Government is now considering the feedback it received in response to its exhibition. Stage 2 of the review, due to be exhibited in late 2024, will deal with the broader issues of definitions and permissibility, and ensure that the planning system isn't a barrier to use of manufactured homes outside parks and estates.

Action 1.6 requires Council to advocate for the NSW Government to continue its adjustment of the legislative and regulatory framework to provide certainty for Council, owners, and builders, and ensure Tiny Homes are built to a suitable standard.

Recommended Response

12. Add a description of Tiny Homes to the Affordable Housing Strategy Glossary which identifies the current terms and definitions provided by the planning and regulatory framework.
13. In Action 1.6 (Continue advocacy to the NSW Government around Tiny Homes and their potential in Shoalhaven), identify the immediate advocacy opportunity to participate in the NSW Government's comprehensive review of the planning and approval processes for caravan parks, camping grounds, MHEs, and moveable dwellings.

Strategy Amendment

The Glossary in the final Strategy has been expanded to include a number of additional terms, including Tiny Homes and the various typologies that sit within this broader term.

The draft Strategy included two short-term advocacy actions relating to affordable housing issues (Action 1.6 and 1.7). These actions have now been collated into a single short-term action (Action 1.7 – Continue advocacy to the NSW Government and Federal Government on affordable housing issues) with a number of principal delivery tasks that respond to a range of key affordable housing issues. Included in this is a task to make a submission into the NSW Government's comprehensive review of the planning and approval processes for caravan parks, camping grounds, MHEs and moveable dwellings.

Action 1.7 – Advocate for meanwhile uses on NSW and Federal Government Land

Total submissions: 3

Feedback

Agency Feedback

Homes NSW supports this action; however, recommends including ‘appropriateness’ criteria, in addition to ‘well-located’ government land.

“Some government-owned buildings may not be readily converted to residential use due to BCA and Apartment Design Guide criteria.”

Industry Feedback

Southern Cross Housing supports this action but stresses the importance of Council assistance.

“We believe that this is a great strategy for Council to progress and strongly encourage it. However, as a CHP we will also require assistance from Council in manoeuvring through the minefield of “change of use” applications, BCA compliance, fire regulations, etc. that may arise.”

The Property Council of Australia also supports this action.

Consideration of Feedback

The concerns raised by Homes NSW about building appropriateness are noted. The principal delivery task for this action identifies the need for sites to be well-located, and it is appropriate for Action 1.7 to reflect this.

Opportunities for Council to collaborate with and support the work of CHPs will be captured in the proposed Collaboration Agreements (Action 1.5) and dwelling assessment support (Action 2.6).

Recommended Response

14. Amend Action 1.7 (Advocate for meanwhile uses on NSW and Federal Government Land) to include a reference to appropriate and well-located land, i.e. *Advocate for meanwhile uses on appropriate and well-located NSW and Federal Government Land.*

Strategy Amendment

The draft Strategy included two short-term advocacy actions relating to affordable housing issues (Action 1.6 and 1.7). These actions have now been collated into a single short-term action (Action 1.7 – Continue advocacy to the NSW Government and Federal Government on affordable housing issues) with a number of principal delivery tasks

that respond to a range of key affordable housing issues. The previous Action 1.7 has now been adjusted and incorporated as a principal delivery task for the new Action 1.7 to advocate for meanwhile uses on appropriate and well-located NSW and Federal Government land in the Shoalhaven LGA to deliver housing.



Action 2.1 – Investigate a shared equity or joint venture development model with a community housing provider

Total submissions: 4

Feedback

Agency Feedback

Homes NSW agree with this action.

Industry Feedback

Southern Cross Housing supports this action and encourages Council to consider investing in affordable housing projects.

“We fully support Council exploring shared equity or joint venture developments with CHP’s.”

Safe Waters Community Care calls for broader partnerships between Council and local service providers. The organisation outlined its experiences working with Council to establish a form of crisis accommodation in Ulladulla, including the level of support provided by Council and perceived barriers to operate the service.

“Partnerships are essential with local service providers as we are the ones on the ground working with very vulnerable people and understand the direct needs on the day.”

The Property Council of Australia supports this action.

Consideration of Feedback

As a development regulatory and compliance authority, Council has a legal obligation to ensure all development is carried out in accordance with relevant legislation, particularly in situations concerning vulnerable people. Council has been working with Safe Waters in recent years to facilitate the lawful operation of two 'transitional group homes' in Ulladulla, including a recent amendment to the City-wide LEP to enable 'transitional group homes' as an additional permitted use on a Council-owned site at 100 St Vincent Street, Ulladulla.

Recommended Response

Nil.

Action 2.2 – Investigate “meanwhile uses” on identified Council land

Total submissions: 3

Feedback

Agency Feedback

Homes NSW agree with this action.

Industry feedback

Southern Cross Housing supports this action but stresses the importance of Council assistance.

“[...] CHP’s will require assistance from Council in manoeuvring through the relevant planning approval process, compliance, bushfire regulations, etc. that could arise.”

The Property Council of Australia supports this action but advises on careful selection of quality homes.

“[...] recommend factory built relocatable homes rather than tiny homes as they are a more functional and comfortable form of accommodation.”

Consideration of Feedback

Opportunities for Council to collaborate with and support the work of CHPs will be confirmed in the proposed Collaboration Agreements (draft Action 1.5) and dwelling assessment support (draft Action 2.6).

The quality and function of temporary dwellings is an important consideration in meeting the communities housing needs for safe, accessible, and comfortable homes. The principal delivery task associated for this action can be adjusted to ensure this consideration occurs.

Recommended Response

15. Adjust the principal delivery task for Action 2.2 (Investigate “meanwhile uses” on identified Council land) to ensure the quality and function of any temporary dwellings located on a site as a “meanwhile use” meet the communities housing needs for safe, accessible, and comfortable homes.

Strategy Amendment

The principal delivery task for Action 2.2 has been adjusted to include additional criteria relating to safety, accessibility and comfort to meet the communities’ needs.

Action 2.3 – Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing

Total submissions: 6

Feedback

Community Feedback

A single submission highlighted the challenge and importance of permanently securing affordable rental housing delivered by the market.

The target of affordable sales houses does not necessarily increase the available housing stock and will most likely not be affordable next sale and will simply be a windfall for the first buyer [...]."

Agency Feedback

Homes NSW supports this action; however, recommends outlining the planning pathway for the implementation of targeted bonuses, such as through an Affordable Housing Contributions Scheme.

Industry Feedback

Southern Cross Housing supports this action, but stresses that CHPs need to be involved in development proposals from the start to manage expectations, confirm housing requirements, and clarify ownership models.

"[...] the CHP must be involved at initial design stage so that everyone is clear about how the affordable products will be designed, delivered, owned, and managed."

The Property Council of Australia supports this action and recommends industry consultation to test feasibility to ensure the bonuses create the intended response.

"We believe this is a good strategy which should not only improve the industry's ability to deliver affordable housing but will also ensure it's in the best location for future residents."

The Urban Development Institute of Australia seeks clarification on the proposed consultation and testing of proposed bonuses with the community and industry. The Institute offered to share its insights on current experiences with the similar State Government policy offering bonuses for the provision of affordable housing.

A submission from a planning consultant calls for priority work on the review of planning controls which encourage the supply of affordable and higher density housing.

"The introduction of targeted density bonuses in return for the direct provision of affordable housing is an important policy lever available to council to utilise the planning system to deliver more affordable housing."

Consideration of Feedback

Duration of Affordable Housing

The NSW Government's planning and policy framework for the provision for affordable rental housing stipulates that housing delivered as affordable rental housing (and using any incentives relating to affordable rental housing) must be used for such for at least 15 years (and managed by a CHP). Where affordable rental housing is delivered directly by a CHP, there are significant opportunities for it to be secured for a longer timeframe. There are also tenure and partnership opportunities for Council when making its land available for affordable rental housing.

Council has an existing advocacy position that affordable rental housing should be affordable in perpetuity and this position needs to be confirmed in its advocacy efforts.

Planning Controls

The suggested timeframe for the implementation of this action is medium term or completed within 2-4 years. Council's proposed work on a City-wide Housing Strategy provides an opportunity to undertake analysis to inform this action. Work will identify potential sites, appropriate development outcomes, and test proposed bonuses through community consultation. The examination of good examples and industry insights are critical to this work. The timing and scope of the City-wide Housing strategy will be settled with Council following the local government elections in September 2024.

Incentives for the delivery of affordable housing already exist. The *State Environmental Planning Policy (Housing) 2021* provides building height and floor space bonuses for in-fill affordable housing.

Industry Collaboration

The current framework does not include any requirements or guidance for collaboration between developers and CHPs. The proposed collaboration agreements with CHPs (draft Action 1.5) provides an opportunity to ensure Council directs developers proposing affordable housing developments to consult with CHPs.

Recommended Response

16. Include an additional advocacy action in the Strategy to influence the NSW Government to adjust the timeframe requirement for affordable rental housing from 15-years to "in perpetuity".

Strategy Amendment

The draft Strategy included two short-term advocacy actions relating to affordable housing issues (Action 1.6 and 1.7). These actions have now been collated into a single short-term action (Action 1.7 – Continue advocacy to the NSW Government and Federal Government on affordable housing issues) with a number of principal delivery tasks that respond to a range of key affordable housing issues. Included in this is a task to

advocate for the NSW Government to adjust the affordable rental housing timeframe requirement from 15 years to “in perpetuity”.



Action 2.4 – Consider adjusting planning controls to increase densities in strategic centres, new release areas, and existing centres

Total submissions: 3

Feedback

Agency Feedback

Homes NSW supports this action; however, recommends including a similar action under either 'Direct delivery on government land' or 'A supportive and innovative framework' to facilitate densification of government-owned land.

"This action [...] does not formally recognise the opportunity to upzone government-owned land [for example] densification of Mandalay Precinct and East Nowra Estate."

Industry Feedback

Southern Cross Housing supports this action.

"We support this action to increase housing supply, but it may not necessarily lead to more affordable housing options."

The Property Council of Australia supports this action and recommends industry consultation to test feasibility to ensure the bonuses create the intended response and as broad as possible community consultation.

We also encourage Council to test this with likely future residents of the planned smaller homes, not just those residents who want to prevent change in their neighbourhood.

Consideration of Feedback

Increasing dwelling diversity is essential to meeting the communities' diverse housing needs, providing housing choice, and freeing up homes suited to different households. These are all matters which can influence the affordability of housing.

It is anticipated work will be required to identify the potential controls, appropriate development outcomes, and test proposed bonuses through community consultation. Outcomes of this work will apply to both government- and privately-owned land.

Recommended Response

Nil.

Action 2.5 – Investigate the potential for co-living housing near town and village centres

Total submissions: 3

Feedback

Agency Feedback

Homes NSW agree with this action.

Industry Feedback

Southern Cross Housing supports this action.

“We support this action and encourage council to further explore and promote co-living housing near town and village centres.”

The Property Council of Australia supports this action.

“Support in principle, we believe that this is a good strategy for Council to explore.”

Consideration of Feedback

Noted.

Recommended Response

Nil.

Action 2.6 – Provide dwelling assessment support to affordable and high-density housing development applications

Total submissions: 5

Feedback

Agency Feedback

Homes NSW supports this action; however, recommends adding Homes NSW to the principal delivery task to help reduce potential development risks for Homes NSW and CHPs.

“Additional assessment support should be afforded to Homes NSW development applications as well as developers and CHPs.”

Industry Feedback

Southern Cross Housing supports this action but encourages Council to prioritise support for CHPs.

“We support this action, but strongly encourage Council to appoint a CHP liaison officer (or similar) who can assist with planning advice prior to any development applications being submitted and help us navigate what can be a complex and costly system.”

The Property Council of Australia supports this action and recommends it be expanded to include education and internal cultural change to give assessment officers the skills and confidence to support and enable new housing developments.

“[...] we would encourage increased education and internal cultural change to give DA assessment officers the confidence to support and enable new housing developments, particularly those proposals that embrace higher density and smaller dwellings.”

The Urban Development Institute of Australia recognises Council is resource constrained and reaffirms its encouragement for Council to focus its attention on difficult issues related to development applications and streamlining approval processes. It requests increased priority be applied to the proposed action.

“We have long encouraged Councils, in their capacity as the assessment authority, to focus their attention on difficult issues related to development applications (DA) while exploring streamlined pathways for “simpler” DAs.”

A submission from a planning consultant suggests Council needs to be more aware of the holding costs associated with development, how these are impacted by development assessment delays, and then passed onto future buyers. The submission identifies the need for efficient processes and more development assessment resources to avoid delays which reflect housing availability and affordability.

“Assessment delays and increasing additional information requests [...] increase time and holding costs which are then passed onto the future buyers.”

Consideration of Feedback

Action 2.6 may address some of these concerns. This action confirms Council will investigate providing additional assessment support to reduce the development risk incurred by CHPs and developers of affordable and high-density housing. Potential outcomes could include:

- Additional development assessment resources.
- Designating specific staff to assess these types of development applications.
- Providing a list of locations where high-density development is supported by strategic documents.
- Providing high quality, acceptable examples of exceptions to development standards such as building height.

The current timeframe for this action is medium-term, or to be completed within 2-4 years. Subject to resourcing and other work priorities, there are opportunities to prioritise this action.

Greater support for the work of CHPs will be provided through the proposed Collaboration Agreements (draft Action 1.5).

Opportunities for additional support for Homes NSW are already available through the existing Collaboration Agreement between Council and the former NSW Land and Housing Corporation (executed May 2023). The State Government has also recently announced several pathways for the delivery of affordable housing, including a comprehensive statewide audit of government land and the introduction of the *Faster Assessment Program for Affordable Housing*.

Recommended Response

17. Adjust the timeframe for Action 2.6 (Provide dwelling assessment support to affordable and high-density housing development applications) from medium-term (2 to 4 years) to short-term (within 2-years).

Strategy Amendment

This action has been adjusted to “short-term”. It is now Action 1.5 in the final Strategy.

Action 2.7 – Facilitate opportunities for homeowners and manufactured home estate operators to deliver Tiny Homes

Total submissions: 4

Feedback

Agency Feedback

Homes NSW supports this action; however, recommends adjusting the timeframe to “short-term”, to be delivered in conjunction with their suggested changes to Action 1.3 Consider planning and development controls to facilitate MHEs closer to urban centres ([link to relevant section of this document](#)).

Industry Feedback

Southern Cross Housing raised concerns with this action, noting an unregulated approval system, lack of standards, and promotion of Tiny Homes could lead to unauthorised and unhealthy homes.

The Property Council of Australia supports this action.

The Urban Development Institute of Australia and a submission from a planning consultant identified the complexities of creating the proposed register of Tiny Homes, noting the moveable nature of caravans, an existing register of approvals for manufactured homes, and existing records of complaints. The submissions also raised the potential resource burden of creating a new register.

“A mobile tiny home is portable so creating a register of location is redundant. If it’s installed then there are already registers of the approvals. [...] This would be an additional reporting burden with little benefit.”

Consideration of Feedback

The current legislative and regulatory framework for Tiny Homes is primarily controlled by the NSW Government. The NSW Government is working to improve this framework through a comprehensive review of the planning and approval processes for caravan parks, camping grounds, MHEs, and moveable dwellings. This is occurring in two stages and aims to:

- Simplify and streamline the planning and approval process.
- Balance short-term tourist accommodation needs and long-term residents’ needs.
- Improve the design, location, and amenity of future developments.

The NSW Government exhibited proposals for Stage 1 of the review focusing on updated standards for flooding and fire safety from November 2023 to January 2024. The NSW Government is now considering the feedback it received in response to its exhibition. Stage 2 of the review, due to be exhibited later this year, will deal with the broader issues

of definitions and permissibility, and ensure that the planning system isn't a barrier to use of manufactured homes outside parks and estates.

Further information on the NSW Government's review is available online ([link](#)).

The proposed register is a delivery task identified to support draft Action 2.7. It's intended to provide a comprehensive record of approval, location, and complaint information of all types of Tiny Homes to monitor the effectiveness of policy decisions and inform future adjustments of policy and advocacy activity.

This action is a medium-term action (due to be implemented within 2-4 years) after the NSW Government has completed its review of the planning and approvals processes for various types of Tiny Homes. The need for and usefulness of the proposed register can be revisited when Action 2.7 is implemented.

Recommended Response

Nil.

Strategy Amendment

This action has been retained in the final Strategy, but is now identified as Action 2.6 (rather than Action 2.7) due to adjustments made to the timing of other actions.

Action 2.8 – Run an education campaign about the benefits of affordable, medium, and high density housing

Total submissions: 6

Feedback

Community Feedback

One submission suggested including contemporary data on housing need and human stories about housing and homelessness in advocacy and education initiatives.

“Compile for lobbying both reliable current data and human stories of homelessness as well as stories of the “rental stressed” (>30% of household income spent on accommodation).”

Agency Feedback

Homes NSW supports this action; however, recommends adjusting the timeframe to “short-term” to support the medium- and long-term actions.

“Raising community awareness is critical [...] The community education campaign can be an ongoing program aiming to increase community participation in the planning process and to reduce stigma.”

Industry Feedback

The Housing Trust offered to collaborate with Council on initiatives related to this action. The submission identified the importance of education on tenure, diversity, and the perspectives of future residents.

“While we recognise the importance of education on tenure and density, we emphasise the positive impact of storytelling from the perspective of key workers and those who will live in affordable housing.”

Southern Cross Housing supports this action but stresses the need for consultation with relevant stakeholders.

The Property Council of Australia supports this action and highlights opportunities to align with the current community education campaign for key worker housing being delivered by the Property Council and Business Illawarra.

The Urban Development Institute of Australia agrees with the potential benefits of this action and identifies opportunities to engage and collaborate with the development industry to deliver a comprehensive educational campaign which reflects market realities.

“UDIA members would be happy to consider offering sites as case studies, provide informative background into the development process, and share data that would benefit the campaign.”

Consideration of Feedback

As noted in the [earlier consideration of community feedback](#) on Issue B: Opposition to Affordable Housing, it is recommended that the timeframe for this action be adjusted from medium-term (2-4 years) to short-term (within 2 years).

Contemporary statistics, real-world experiences and the insights of the development industry will all make a significant contribution to the success of Council's advocacy and education activities. The Action currently recognises the benefits and opportunities of working with a CHP to deliver the education campaign and this can be expanded to include the development industry.

Recommended Response

18. Update the supporting information for Action 2.8 (Run an education campaign about the benefits of affordable, medium, and high density housing) to confirm contemporary statistics, real-world experiences, case studies and collaboration with the development industry will be used to inform education activities.

Strategy Amendment

The supporting information for this action has been updated to confirm that education activities are to be informed by contemporary statistics, real-world experiences, case studies and collaboration with the development industry. The timing for this action has also been adjusted to "short-term" and it is now Action 1.8 in the final Strategy.

Action 3.1 – Dedicate Council-owned land to innovative affordable housing developments

Total submissions: 4

Feedback

Agency Feedback

Homes NSW agree with this action and suggest, for consistency, that the selection of Council-owned land should be guided by strategic principles for affordable housing.

Industry Feedback

Southern Cross Housing does not support this action and promotes itself as the logical partner for any development of Council-owned land.

"We do not support a costly and time consuming competitive tender process when Southern Cross Housing is clearly the largest and locally committed CHP [...]. We would much rather see the time and money spent on collaborating to deliver great designs and community outcomes."

Shelter NSW identifies the opportunities of community land trust models.

The Property Council of Australia supports this action.

Consideration of Feedback

This action attempts to diversify potential partners and solutions for the delivery of affordable housing on Council-owned land to ensure alternative, innovative, and effective approaches are considered. This work will need to consider the objectives of Council's Property Sales Program.

Community land trusts have been used in some parts of the world to make housing more affordable. The innovative model is a form of shared ownership of a property, where the land component of a residential property is owned by a community based, not-for-profit legal entity and the actual building is owned (or leased long-term) by an individual household.

Recommended Response

Nil.

Action 3.2 – Investigate pilot projects of exemplary diverse and affordable housing types to increase market confidence

Total submissions: 4

Feedback

Agency Feedback

Homes NSW agree with this action.

“Given Council currently has a collaboration agreement with Homes NSW, it is recommended that Council consider Homes NSW as a potential partner to deliver pilot projects.”

Industry Feedback

Southern Cross Housing supports this action.

“We support this initiative, learning from exemplary projects elsewhere is valuable.”

Shelter NSW recommends adding a requirement for a proportion of resultant dwellings to be affordable housing.

The Property Council of Australia supports this action.

“We support this initiative, learning from exemplary projects elsewhere is valuable for both industry and Council.”

Consideration of Feedback

Noted. Consideration will be given to potential partnership opportunities during the future implementation of this action.

Recommended Response

Nil

Action 3.3 – Introduce guidelines to increase dwelling diversity in greenfield developments

Total submissions: 4

Feedback

Agency Feedback

Homes NSW agree with this action.

Industry Feedback

Southern Cross Housing supports this action and encourages Council to amend planning controls to allow dwelling houses on land zoned MUI Mixed Use as part of an overall development outcome.

Shelter NSW encourages the use of development controls to achieve this action for new urban release areas.

The Property Council of Australia supports this action and identifies the need for adjustment of planning and development controls to support it. The submission identifies potential examples of small lots 250–400m² lots serviced by rear lanes.

Consideration of Feedback

The proposed guidelines will be embedded in the Shoalhaven LSPS to guide future strategic planning work, including the adjustment of planning and development controls for specific greenfield developments.

The confirmed objectives of the MUI Mixed Use zone are to encourage a diversity of business, retail, office and light industrial land that generate employment opportunities and active street frontages. The MUI Mixed Use zone has been applied to strategic centres across Shoalhaven to achieve these objectives. The zone already permits a range of dwelling types considered to align with these objectives, including residential flat buildings and shop top housing. Permitting dwelling houses in isolation in this zone potentially encourages standard residential development, which will undermine the zone objectives and intended function of the centre.

Recommended Response

Nil.

Appendix 1: Implementation of 2017 Affordable Housing Strategy

Short-term Actions

The Strategy sets 6 short-term actions proposed to be completed within 0–3 years.

Council completed the first action with its formal adoption of the Strategy.

Two actions recommended the direct provision of land, and the facilitation of social and affordable housing on Council-owned land in partnership with a CHP. These are complete, with Council-owned land on Coomea Street, Bomaderry being transferred to Southern Cross Housing to facilitate a 36-unit affordable housing development (which is currently underway).

The remaining three actions require:

- A small lot housing model or demonstration project in a greenfield release area,
- Advocacy on a range of related matters such as temporary housing opportunities, and the adjustment of relevant State land use planning policies, and
- A shared equity purchase model to facilitate the purchase of housing by low-income households.

Continual adjustments of planning and development controls have provided opportunities to deliver smaller lots (300–500m²). The controls for contemporary greenfield urban release areas – known as Moss Vale Road South and Moss Vale Road North – allow 300m² sized lots in areas with greater amenity or convenience such as close to open space or the planned local shopping centre. The controls also permit a greater diversity of dwellings, including dual occupancies and secondary dwellings. Allowing smaller lots and a greater diversity of dwellings may help provide housing at a lower price point, noting that prices are set by the market. Opportunities to deliver a demonstration project are being investigated.

Council's ongoing and recent advocacy efforts associated with affordable housing have been many and varied and included site-specific and broader opportunities, including:

- Submissions contributing to the adjustment of the NSW Government's land use planning policies, allowing Council to prepare and evaluate an affordable housing development contributions scheme, and increasing the period for new affordable housing developments to remain affordable (from 10 to 15 years).
- A submission on the *NSW Housing Strategy and 2021–22 Action Plan*.
- Council provided its *Advocacy Projects 2022* document to relevant members of the Federal Government and local election candidates, and subsequently met

with them. The document calls for additional funding for social and affordable housing. The document has been shared with local State Members as well as the relevant Ministers and Shadow Ministers of the Federal Government.

- Submissions to various Federal and State Government Inquiries and Taskforce Investigations, including:
 - NSW Regional Housing Taskforce (awaiting the Government's response to the Taskforce's findings).
 - NSW Inquiry on options to improve the access to existing and alternate accommodation to address the social housing shortage.
 - Federal Inquiry into housing affordability and supply in Australia.
- Membership of the Illawarra-Shoalhaven Affordable Housing Roundtable, established as an outcome of the NSW Government's *Illawarra-Shoalhaven Regional Plan*.
- Continued direct advocacy and collaboration with the NSW Land and Housing Corporation (now Homes NSW), including:
 - The preparation of a Collaboration Agreement setting out roles, responsibilities and expectations of the two organisations,
 - Providing assistance to Landcom's Build-to-Rent trial project in Bomaderry,
 - The renewal of Homes NSW property portfolio,
 - Redevelopment opportunities of the Mandalay Avenue Sub-Precinct in the Nowra Riverfront Leisure and Entertainment Precinct.
 - Broader opportunities for collaboration and partnerships.
- Recommended conversations with Transport for NSW and others within NSW Government about the "meanwhile use" of its vacant site on East Street, Nowra for temporary sheltered accommodation.
- Council is collaborating with Business Illawarra and the Property Council of Australia, on a campaign to increase the supply of affordable housing for critical employees.

Medium-term Actions

The Strategy sets 13 medium-term actions proposed to be completed in years 3-5.

The action to update development controls guiding medium density development proposals is complete. New controls addressing the design of developments and, floor space requirements were set in the City-wide *Shoalhaven Development Control Plan 2014*. Council recently resolved to review the outcome of changes to the medium density development provisions.

Work is ongoing on five actions recommending:

- Adjusting land use zones and planning controls to provide a supply of developable, residential land within and close to existing centres in the Nowra-Bomaderry, Bay and Basin, and Milton-Ulladulla areas.
- Increasing the supply of greenfield residential land facilitating diverse housing opportunities in new greenfield release areas.
- Supporting development of high-quality new generation boarding houses in appropriate locations.
- Investigating incentives like increased maximum permissible floor space for medium density developments including smaller dwellings (one- and two-bedrooms).
- Increasing the areas and development types able to apply for car parking discount/reductions.

The remaining seven actions suggest Council:

- Facilitate development of a residential caravan park or manufactured home estate on publicly owned land in partnership with a CHP.
- Investigate and, if necessary, review the permissible size of secondary dwellings to ensure affordability.
- Examine effective ways to reduce parking requirements for smaller homes, including those close to existing centres and public transport (2 actions).
- Prepare guidelines to support the good design and management of boarding houses.
- Develop guidelines to encourage a higher proportion of permanent sites within caravan parks and MHEs.
- Draft a policy to provide development incentives for the delivery of affordable housing.

Long-term Actions

The Strategy sets 7 long-term actions proposed to be completed in years 5-10. Work on the following actions is yet to commence:

- Affordable housing on Council land in Ulladulla (similar to Coomea Street, Bomaderry).
- Mandating affordable, adaptable, and low-cost dwelling types, including in new greenfield residential release areas (4 Actions).
- Investigating affordability benchmarks for new residential release areas.
- A large-scale demonstration project.

Appendix 2 – Defined Residential Land Use Terms

Residential accommodation means a building or place used predominantly as a place of residence, and includes any of the following:

- a) attached dwellings,
- b) boarding houses,
- baa) co-living housing,
- c) dual occupancies,
- d) dwelling houses,
- e) group homes,
- f) hostels,
- faa) (Repealed)
- g) multi dwelling housing,
- h) residential flat buildings,
- i) rural workers' dwellings,
- j) secondary dwellings,
- k) semi-detached dwellings,
- l) seniors housing,
- m) shop top housing,

but does not include tourist and visitor accommodation or caravan parks.

Attached dwelling means a building containing 3 or more dwellings, where:

- a) each dwelling is attached to another dwelling by a common wall, and
- b) each of the dwellings is on its own lot of land, and
- c) none of the dwellings is located above any part of another dwelling.

Boarding house means a building or place:

- a) that provides residents with a principal place of residence for at least 3 months, and
- b) that contains shared facilities, such as a communal living room, bathroom, kitchen or laundry, and
- c) that contains rooms, some or all of which may have private kitchen and bathroom facilities, and
- d) used to provide affordable housing, and

- e) if not carried out by or on behalf of the Land and Housing Corporation—
managed by a registered CHP,

but does not include backpackers' accommodation, co-living housing, a group home, hotel or motel accommodation, seniors housing or a serviced apartment.

Co-living housing means a building or place that:

- a) has at least 6 private rooms, some or all of which may have private kitchen and bathroom facilities, and
- b) provides occupants with a principal place of residence for at least 3 months, and
- c) has shared facilities, such as a communal living room, bathroom, kitchen or laundry, maintained by a managing agent, who provides management services 24 hours a day,

but does not include backpackers' accommodation, a boarding house, a group home, hotel or motel accommodation, seniors housing or a serviced apartment.

Dual occupancy means a dual occupancy (attached) or a dual occupancy (detached).

Dual occupancy (attached) means 2 dwellings on one lot of land that are attached to each other, but does not include a secondary dwelling.

Dual occupancy (detached) means 2 detached dwellings on one lot of land, but does not include a secondary dwelling.

Dwelling means a room or suite of rooms occupied or used or so constructed or adapted as to be capable of being occupied or used as a separate domicile.

Dwelling house means a building containing only one dwelling.

Group home means a permanent group home or a transitional group home.

Group home (permanent) or permanent group home means a dwelling:

- a) that is occupied by persons as a single household with or without paid supervision or care and whether or not those persons are related or payment for board and lodging is required, and
- b) that is used to provide permanent household accommodation for people with a disability or people who are socially disadvantaged,

but does not include development to which State Environmental Planning Policy (Housing) 2021, Chapter 3, Part 5 applies.

Group home (transitional) or transitional group home means a dwelling:

- a) that is occupied by persons as a single household with or without paid supervision or care and whether or not those persons are related or payment for board and lodging is required, and
- b) that is used to provide temporary accommodation for the relief or rehabilitation of people with a disability or for drug or alcohol rehabilitation purposes, or that is used to provide half-way accommodation for persons formerly living in institutions or temporary accommodation comprising refuges for men, women or young people,

but does not include development to which State Environmental Planning Policy (Housing) 2021, Chapter 3, Part 5 applies.

Hostel means premises that are generally staffed by social workers or support providers and at which:

- a) residential accommodation is provided in dormitories, or on a single or shared basis, or by a combination of them, and
- b) cooking, dining, laundering, cleaning and other facilities are provided on a shared basis.

Independent living unit means a dwelling or part of a building, whether or not attached to another dwelling:

- a) used to house seniors or people with a disability, and
- b) containing private facilities for cooking, sleeping and bathing, and
- c) where clothes washing facilities or other facilities for use in connection with the dwelling or part of a building may be provided on a shared basis,

but does not include a hostel.

Multi dwelling housing means 3 or more dwellings (whether attached or detached) on one lot of land, each with access at ground level, but does not include a residential flat building.

Residential care facility means accommodation for seniors or people with a disability that includes:

- a) meals and cleaning services, and
- b) personal care or nursing care, or both, and
- c) appropriate staffing, furniture, furnishings and equipment for the provision of that accommodation and care,

but does not include a dwelling, hostel, hospital or psychiatric facility.

Residential flat building means a building containing 3 or more dwellings, but does not include an attached dwelling, co-living housing or multi dwelling housing.

Rural worker's dwelling means a building or place that is additional to a dwelling house on the same lot and that is used predominantly as a place of residence by persons employed, whether on a long-term or short-term basis, for the purpose of agriculture or a rural industry on that land.

Secondary dwelling means a self-contained dwelling that:

- a) is established in conjunction with another dwelling (the principal dwelling), and
- b) is on the same lot of land as the principal dwelling, and
- c) is located within, or is attached to, or is separate from, the principal dwelling.

semi-detached dwelling means a dwelling that is on its own lot of land and is attached to only one other dwelling.

Seniors housing means a building or place that is:

- a) a residential care facility, or
- b) a hostel within the meaning of State Environmental Planning Policy (Housing) 2021, Chapter 3, Part 5, or
- c) a group of independent living units, or
- d) a combination of any of the buildings or places referred to in paragraphs a–c,

and that is, or is intended to be, used permanently for—

- e) seniors or people who have a disability, or
- f) people who live in the same household with seniors or people who have a disability, or
- g) staff employed to assist in the administration of the building or place or in the provision of services to persons living in the building or place,

but does not include a hospital.

Shop top housing means one or more dwellings located above the ground floor of a building, where at least the ground floor is used for commercial premises or health services facilities.



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