

Port Macquarie- Hastings Affordable Housing Plan - Draft

April 2024
Draft for Exhibition





What is Affordable Housing?

‘Affordable housing’ is housing that is priced so that people on very low, low and moderate incomes can rent or buy while also being able to meet other basic living costs such as food, clothing transport, medical care and education. As a rule of thumb, housing is usually considered affordable if it costs less than 30% of gross household income. Affordable housing supports a diverse and well-functioning region.

Who Needs Affordable Housing?

Many different people need affordable housing and for a range of different reasons, including:

- People who work full- or part-time in lower paid jobs, where their household income is not high enough to pay market rent in the area in which they live and/or work
- A recently separated person for whom home ownerships may no longer be economically viable
- A young person seeking to live near where they grew up
- Households dependent on one, or even two low waged ‘key worker’ jobs
- An older person on a reduced retirement income, including after the death of a spouse
- A person providing full time care for a relative or friend

**“The most liveable,
sustainable and
innovative place
in Australia”**

– Port Macquarie-Hastings Imagine2050 Vision

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List of Abbreviations

- AHCS** - Affordable Housing Contributions Scheme
- CHP** - Community Housing Providers
- DCP** - Development Control Plan
- LAHC** - Land and Housing Corporation
- LEP** - Local Environment Plan
- LGA** - Local Government Area
- LSPS** - Local Strategic Planning Statement *Shaping Out Future 2040*
- NCRP** - North Coast Regional Plan

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ACKNOWLEDGMENT OF COUNTRY

Yii Biiray Barray

This is Birpai Country

Nyura yii-gu mara-la barray-gu, nyaa-gi, ngarra-gi

You have come here, to the country to see, listen and remember.

Gathay Nyiirun Wakulda

Let's all go together as one

We acknowledge the Birpai people, the traditional owners of the land in which we work and live, and pay our respects to Elders past, present and emerging. We extend our respect to all Aboriginal and Torres Strait Islander people who choose to call Port Macquarie Hastings home.

Port Macquarie-Hastings Council recognises that the original occupants and inhabitants of this land lived in the area for more than 40,000 years. There were a number of clans speaking several dialects and these people exercised traditional rights over the area including the ownership of sacred and significant sites.



Mayor & CEO Message

[MESSAGE TO BE INSERTED AFTER ADOPTION BY COUNCIL]

To be added later

[INSERT IMAGE]

About the Plan

Overview of the Plan

Port Macquarie Hastings Council understands that adequate housing is a right and recognises that one of the critical barriers relating to housing in the Local Government Area (LGA) is affordability. Affordable, secure and appropriate housing meets an essential human need for shelter and security. It also provides a foundation for people to engage with education, employment, their community and their families.

There is currently a shortage of affordable housing in the Port Macquarie Hastings LGA; Census (from REMPLAN) figures show there were 5,322 dwellings in housing stress (13.3%). This consists of 1,185 in mortgage stress (14.4% of mortgage dwellings) and 4,137 in rental stress (50.4% of rented dwellings). Housing stress is where a household is spending more than 30% of its gross income on housing costs, either through rent or mortgage payments. The rate of housing stress is likely to have increased between the Census capture date (July 2021) and the formulation of this Plan (early 2024). This is due to factors such as the increase in Australia's cash rate from (0.10% in April 2022 to 4.35% in February 2024), and consequently a series of interest rate rises.

Port Macquarie Hastings Council *Affordable Housing Plan 2023* (the Plan) proposes solutions that can assist to address the growing need for affordable housing in the LGA. The Plan will provide an overarching framework and identifies further direct actions and advocacy positions that Council will take towards improving housing affordability. The Plan is in alignment with Council's *Imagine2050 Community Strategic Plan* and Local Strategic Planning Statement (LSPS) *Shaping Our Future 2040*.



1. Background

Affordable Housing

Housing is generally considered to be affordable when households can meet their housing costs and also meet other basic living costs such as food, clothing, transport, medical care and education. Households spending more than 30% of their income on housing costs are deemed to be in housing stress and at risk of after-housing poverty.

The *Environmental Planning and Assessment Act 1979* (the Act) defines affordable housing as being housing for very low, low income households or moderate income households, being such households as are prescribed by the regulations or as are identified in an environmental planning instrument.

Affordable housing can include a range of tenures, dwelling types and price points. This includes, but is not limited to, special needs accommodation, social (public and community) housing, key worker housing and assisted purchase housing (i.e. shared equity or community land trusts). It can also include lower cost housing supplied by developers such as smaller flats and units, boarding houses, co-living housing and caravan parks, as long as affordable housing benchmarks are met.

Affordable housing is most commonly available to rent, although affordable housing is sometimes available to purchase. Affordable rental housing may be owned by private developers or investors, local governments, charitable organisations or community housing providers. It is typically managed by not-for-profit community housing providers.

Funding for affordable housing in NSW has been developed in a range of ways including through a mix of sources including government (Local/State/Commonwealth) grant or land contributions, planning incentives, philanthropic sources, community housing provider equity contributions and from finance secured against assets owned by community housing providers.

Why is Affordable Housing Important?

The right to appropriate housing is about more than shelter. The affordability, quality and security of our homes is crucial to our wellbeing. When secure affordable housing facilities are available our communities are diverse and vibrant, benefiting the whole city.

Affordable housing is an important form of community infrastructure that supports;

- Personal and community wellbeing;
- Social and economic sustainability, including a diverse labour market and economy; and
- Strong and inclusive communities.

Affordable housing ensures our community can continue to be made up of people from a broad range of incomes and backgrounds, strengthening the vitality and dynamism of our city and allowing people to live close to their employment, social networks and neighbourhood bonds. Strong communities also care and support their most vulnerable residents.

Lack of affordable housing affects families, couples and individuals who may be sacrificing basic necessities to pay for their housing needs. Some of these residents may be forced to leave the area to access affordable housing, this displacement, particularly of long-term residents reduces social cohesion, community connection and access to family support.

A shortage of affordable housing can also negatively impact upon local businesses and essential services, as employers face challenges in attracting and retaining employees to the area as they are unable to access housing. Many key workers, such as aged care, health care, hospitality, retail and emergency services wages are becoming increasingly insufficient to allow access to affordable rental or purchase housing close to their place of employment. The loss of labour and workers from an area adversely affects local economies and is a significant contributing factor to labour shortages.

Strategic Alignment

What is the Importance?

There is a substantial state, regional and local policy framework to inform land use planning. This plan has been prepared to be consistent with and give effect to this framework. Key high level plans such as the North Coast Regional Plan (NCRP) and Shaping Our Future 2040 (LSPS) provide direction on priorities for this plan.

What are the key Documents?

Shaping Our Future 2040: is the core strategic land-use planning document for our area. It outlines the vision for land-use planning in our local area over the next 20 years and sets the direction for our community's environmental, social and economic land-use needs.

Living and Place Strategy: Supports the 20-Year Housing Vision for the LGA, the LPS sets out a place-based vision and framework for housing developments.

Imagine2050 Community Strategic Plan: is the overarching 10-year plan that is prepared by Council and the community based on community priorities. It enables Council to coordinate its funding priorities, activities and services. The Affordable Housing Strategy is aligned with, and supports the achievement of a number of objectives and outcomes of the Community Strategic Plan.

Urban Growth Management Strategy: helps us plan and deliver growth and change, provide opportunities for new housing and economic development and informs out LEP and the assessment of Planning Proposals and Development Applications.

Local

- Imagine2050 Community Strategic Plan
- Shaping our Future 2040: Strategic Planning Statement
- Living and Place Strategy
- Urban Growth Management Strategy
- Infrastructure Strategy
- Integrated Transport Strategy
- Yippin Creek Structure Plan
- Draft Fernbank Creek and Sancrox Structure Plan

- Port Macquarie-Hastings Local Environmental Plan 2011
- Port Macquarie-Hastings Development Control Plan

State

- North Coast Regional Plan 2041
- Port Macquarie Regional City Action Plan 2036[†]
- Future Transport Strategy
- NSW: Our Vision for Regional Communities 2022
- A 20-Year Vision for Regional NSW

- Environmental Planning and Assessment Act 1979
 - Environmental Planning and Assessment Regulation 2021
 - State Environmental Planning Policy (Housing) 2021
 - State Environmental Planning Policy (Exempt and Complying Development Codes) 2008
 - Standard Instrument - Principal Local Environmental Plan

2. Purpose and Aim

Purpose of the Plan

The purpose of this Plan is to identify initiatives and actions to be undertaken by Port Macquarie Hastings Council to assist in increasing the supply of affordable housing in the LGA.

This Affordable Housing Plan provides an overarching framework and identifies further direct actions and advocacy positions that Council will take towards improving housing affordability.

Aim of the Plan

The aim of the Plan is to encourage and facilitate the funding and delivery of affordable housing and expand a diverse range of affordable housing that meets the spectrum of housing needs for very low, low to moderate income households.

Affordable Housing Targets

This Plan aims for a target delivery of 2,370 affordable dwellings, representing 18.3% of projected dwellings to be delivered by 2046, with a minimum delivery of 1,722 affordable dwellings, representing 13.3% of projected dwellings to be delivered by 2046 to meet additional need only. A majority of these dwellings should be smaller dwellings with the balance being dwellings suitable for families.

These targets will require all governments to work together collaboratively and will not be solely delivered as a result of this Plan or Port Macquarie Hastings Council actions.



Population



88,311
People in 2022

with an estimated resident
population of
115,302 by 2046

Dwellings



Living in **40,409**
households in 2022

projected to be living in
55,287
households by 2046

Household costs (Median cost of entry level property)



Units to rent
\$450 / week

Units for purchase
\$590,000



Houses to rent
\$581 / week

Houses for purchase
\$840,000

Household stress (2021)



5,322 households in
financial stress

This is
13.3% of all households

* Data supplied by REMPLAN and Australian Bureau of Statistics (ABS)

3. Rationale

The rationale presents a summary of relevant findings on housing demand, supply, need and affordability, as well as options available to Port Macquarie Hastings Council to help address these issues. The issues and options identified provide the background and rationale for the initiatives outlined in Part 4.

As it is nationally, housing affordability is a critical issue in the Port Macquarie Hastings LGA. The 2021 Census identified that over 13% of households were in housing stress, paying greater than 30% of their gross household income on rent or mortgage repayments. Over 14% of mortgage households were in housing stress and over 50% of rent households were in housing stress (REMPPLAN). The rate of housing stress has likely increased between the Census capture in July 2021 and the formulation of this draft Plan in early 2024. This is due to a range of factors including the recent series of interest rate rises and inadequate supply of housing stock.

The Port Macquarie Hastings LGA has many strengths; we are experiencing unprecedented growth and transformation, bringing with it significant investment in infrastructure. Working in partnership, Council seeks to harness the opportunities that come with local growth and investment to realise the adequate provision of appropriate affordable housing through the Port Macquarie Hastings LGA that will meet the spectrum of housing needs in our community.

The 2023 Australian Liveability Census identifies the community's values and attributes that are under/over performing from the community's perspective. Range of housing prices and tenures as an attribute in the Liveability Census scored only 5.3 out of 10, placing it in the 'maintain' category, meaning the attribute was rated the lowest and is a potential threat. Engagement with stakeholders is recommended to future proof or de-risk these attributes. To improve the score, it is recommended Council consider initiatives that would increase the range of housing types and sizes available.

A key component of housing affordability is to increase the supply of diverse housing types, which this Plan aims to facilitate.





Affordable Housing Issues

A number of housing, funding, economic and environmental factors has led to an acute shortage of affordable housing in the LGA, these include:

- Inadequate supply of long-term private rental accommodation amid increasing demand;
- Declining home ownership;
- Incomes not rising in comparison with the rising cost of housing (rent and purchase);
- Cyclical demand from itinerant workers in sectors like construction;
- The increase in lower paid workers in service sectors such as health and aged care;
- The movement of people on higher incomes from cities to regions as a result of the COVID-19 pandemic;
- Significant rises in construction costs;
- Increased inflationary pressure on cost of living;
- Recent series of interest rate rises and availability of finance
- Casualisation of the workforce

These factors have contributed to a near 0% rental vacancy rate and a dramatic increase in rental costs locally during 2021 and 2022. There has also been unparalleled growth in the real cost to purchase housing in the LGA in this period.

Over 75% of dwellings in the LGA are separate houses, 13% semi-detached including townhouses and 9% are flats. Increasing housing diversity in well located areas is also crucial in meeting the needs of an ageing population, allowing older people to down-size to areas where they can 'age in place' and bigger households can occupy larger dwellings.

The movement of higher income earners from cities to regional areas, like the Port Macquarie Hastings LGA has put upward pressure on housing costs as housing supply has struggled to keep up with demand. Income disparities and stagnant wage growth have created challenges for lower income earners to secure rentals and purchase property, as they are unable to compete with higher income earners who have greater purchasing power.

There has been a reduction in the diversity of housing in the LGA. In 2016 1 bedroom dwellings accounted for 4.1% of private occupied dwellings, in 2021 1 bedroom dwellings accounted for 3.7% of private dwellings. In 2016, 2 bedroom dwellings accounted for 20.8% of private occupied dwellings, decreasing to 20.2% of private dwellings in 2021. Smaller dwellings, such as studios, or 1 and 2 bedroom dwellings are generally more affordable and cater to the changing demographics of the LGA.

Affordable Housing Need

In 2021, 5,322 very low, low and moderate income households were in housing stress. By 2046, if the percentage of households in housing stress remains consistent, the number of households in housing stress is projected to grow by 2,031 households to a total of 7,353 households (13.3% of projected dwellings). The largest group in housing stress is likely to be very low income smaller (lone person and couple) renting households. The NSW Regional Housing Need Report 2023 identified 79.3% of low-income households in the LGA were experiencing rental stress.

The 2021 NSW Land and Housing Corporation Local area analysis for Port Macquarie-Hastings identifies there are almost 1,200 social housing dwellings in the LGA, representing approximately 3% of all private dwellings in the LGA. Social housing supply has failed to keep pace with growing need over numerous years, in order to appropriately support vulnerable communities, social housing stock should represent at least 5% of private dwellings (NSW Regional Housing Need Report 2023). An additional 14,878 dwellings are projected in 2046, in order to meet the 5% target, an additional 1,565 social housing dwellings are required, this takes into account the current gap in social housing.

Significant social housing waiting times within the LGA are a key indicator of affordable housing need. For the Port Macquarie Social Housing Allocation Zone there is a ten or more years wait for any dwelling type, with 734 general applicants and 161 priority applicants currently on the waiting list. Wauchope Social Housing Allocation Zone presents a five to ten year wait for all properties except four-bedroom dwellings which is currently a ten year wait. There are 74 general applicants and 24 priority applicants on the Wauchope Allocation Zone waiting list.

Council's Role and Responsibility

NSW planning policy and legislation provide opportunities for local government to support the facilitation of affordable housing. Local government has an explicit role in 'affordable housing' under relevant legislation and can potentially influence affordability through land use zoning, development controls, the timing of land release, location of services and facilities, the levying of rates, development contributions and application fees.

One of the objectives of the *Act* under Section 1.3(d) is to '**promote the delivery and maintenance of affordable housing.**' Clause 15 of the *State Environmental Planning Policy (Housing) 2021*, sets out requirements for imposition of affordable housing conditions.

Section 7.4 of the *Act* provides provisions for the creation of a Voluntary Planning Agreement (VPA) in relation to an amendment of a planning instrument or development application. Under a VPA, a developer is required to make a monetary contribution or an in kind for affordable housing.

An Affordable Housing Contribution Scheme, under Section 7.32 of the *Act* enables Councils to levy mandatory contributions for the provision of affordable housing. The form of contribution collected will be determined by Council and may include a combination of:

- Fit for purpose land within the development
- Monetary contribution
- Dwellings within the development to be dedicate as affordable dwellings.

A consent authority must consider the social impacts of a development application as part of the development assessment, under Section 4.15(1)(b) of the *Act*. This is particularly relevant to development applications which may result in the loss of affordable diverse housing or may even generate a need for affordable housing.

Target Groups for this Plan

Very low income 'key worker' households - these households have a median household income less than 50% of rest of NSW and would need to pay less than \$215 a week in rent to not be in housing stress. There are currently no rental properties available for very low income households anywhere in the LGA. Examples of very low income key workers include a lone person working part-time as an aged care worker earning \$700 a week; or a couple with a young child, with one working a typical 30-hour week as an Assistant in Nursing.

Very low income households' dependent on Centrelink payments - these households would also need to pay less than \$215 a week in rent, and could not afford even a studio or one-bedroom unit anywhere in the LGA. Examples include a single aged pensioner on a pension of \$548 per week including supplements, who could afford \$220 in rent including Commonwealth Rent Assistance; and a single person on a JobSeeker Allowance, who would have an income of \$375 per week, and could only afford to pay \$168 per week in rent with Rent Assistance from Centrelink.

Low income 'key workers' - these households would need to pay between \$245 to \$390 per week in rent. Households on the lower end of the market could not afford even a one bedroom or studio unit in the LGA, whilst those on the higher end may be able to secure a one-bedroom unit. Examples include a full time childcare educator earning \$875 per week; or a cleaner earning \$865 a week.

Moderate income ‘key workers’ households - these households would need to pay between \$390 to \$546 per week in rent to not be in housing stress. Households on the lower end of the moderate income scale would not be able to affordably rent a house but could rent a two-bedroom unit. Those at the upper end of moderate income earners may be able to secure a house on the urban fringe, but would be able to rent a villa/townhouse/unit affordably. Examples include a lone person working full time as an ambulance officer or entry level teacher or registered nurse earning around \$1,115 per week; or a couple with one person working part-time as a cleaner and the other as an enrolled nurse on a combined income of around \$1,660 per week.

None of the above mentioned households would be able to affordably purchase a house in the LGA. Those on the upper end of moderate income may be able to purchase a one-bedroom unit.

	Very Low Income Household	Low Income Household	Moderate Income Household
Income Benchmark	<50% of Gross Median Household Income for Rest of NSW	50-80% of Gross Median Household Income for Rest of NSW	80-120% of Gross Median Household Income for Rest of NSW
Income Range (2)	<\$813	\$813-\$1,301	\$1,301-\$1,822
Affordable Rental Benchmarks (3)	<\$244	\$244-\$390	\$390-\$546
Affordable Purchase Benchmark (4)	\$186,000	\$186,000-\$297,600	\$297,600-\$416,400

Table 1: Affordable Housing Income, Rental and Purchase Benchmarks - Rest of NSW. Source: Based on data from Australian Bureau of Statistics (ABS) (2021) Census of Population and Housing. CPI adjusted to 2023 figures.

- (1) All values reported are in February Quarter 2024
- (2) Median Household income CPI adjusted to \$1,627.27
- (3) Calculated as 30% of total weekly household income
- (4) Calculated using ANZ Loan Repayment Calculator, using 8 March 2024 interest rate (7.24% pa) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.



4. Actions

Council's ability to act in the affordable housing policy area has limits: a variety of macroeconomic factors, as well as critical economic and housing policies set at both Federal and State Government levels are largely outside of Council's control. Within this context, Council's role has three dimensions. The actions are intended to encourage and facilitate the funding and delivery of affordable housing. The actions focus on advocacy and facilitating delivery of affordable housing through the Council's planning controls.

Each action includes an outline of its rationale of why it is a priority or why it is required. The actions are not listed in any priority order and are grouped into three themes:

Advocate

The delivery of social housing is the responsibility of the NSW Government. Council will take on an advocacy role for improved outcomes in relation to social and affordable housing in accordance with the listed actions. At the state level, Council will continue to join with other Councils and actively lobby relevant State Government ministers and departments to encourage a more comprehensive approach to the provision of affordable housing.

Facilitate and Incentivise

The establishment of strategic and statutory land use planning provisions is one of the key responsibilities of local government and is a mechanism through which Council can influence or facilitate the delivery of affordable housing. These land use planning provisions can incentivise affordable housing developments and increase the supply of affordable dwellings available.

Mandate

Port Macquarie Hastings Council has responsibility for planning policy and development control within its LGA. Under NSW planning law there are a number of mechanisms that can be included in planning controls to require the delivery of affordable housing or smaller dwellings as part of residential development or the payment of a contribution towards affordable housing. The actions in this theme will introduce requirements for certain developments to provide affordable housing, diverse housing or development contributions towards affordable housing.



Action plan

Through collaboration and partnerships, we will work on strategies to:

- Increase the supply of affordable rental housing,
- Identify and advocate for improved housing affordability,
- Support a strong robust housing, homelessness and community services sector.

The timeframe for initiating or undertaking each action in the below table correspond to the following time frames:

- Immediate = within 1 year
- Short-term = 1-4 years
- Medium-term = 5-10 years
- Long-term = 10+ years
- Ongoing = will be carried out on an ongoing basis
- As and when required = will be carried out at the time that opportunities or situations that require action present themselves.

Advocate -

Initiative	Rationale	Action	Timeframe
Advocate for additional social housing in the Port Macquarie Hastings LGA	There has been significant decline in the proportion of social housing over the past 15 years as well as a loss of social housing stock in absolute terms. At least 459 new social housing dwellings will be needed by 2046 to maintain the current local stock proportion. To meet the target of 5% of private dwellings as social housing an additional 1,564 social housing dwellings will be required.	1a) Seek the following commitments from the NSW Government: • That the proportion of social housing in the LGA will not fall below current levels • Funding and delivery of an additional 1,564 social housing dwellings in the LGA by 2046 • Funding of at least 500 places of crisis, short-term, transitional and supported accommodation for people at risk of homelessness in the LGA by 2041.	Short term and on-going
	There are significant opportunities for the redevelopment of social housing to meet the changing needs, any redevelopment of existing social housing must achieve a net gain of social housing dwellings.	1b) Advocate for amendment to the Housing SEPP - to incentivise quality affordable housing outcomes, including changes to support the delivery of affordable housing under the Housing SEPP in perpetuity, not just for 15 years.	Short term and on-going
		1c) Advocate for amendment to Affordable Rental Housing Contribution Scheme guidelines - to allow LGA wide Schemes, as well as a simplified approach to implementation.	Short term and on-going



Initiative	Rationale	Action	Timeframe
Advocate for development of affordable housing on NSW Government owned land	There is potential for under-utilised or vacant government owned land to be developed for affordable housing. A local area analysis was undertaken by NSW Land and Housing Corporation to better understand: • What housing stock is available • Where the housing stock is located • The condition of the housing stock and • What opportunities are available for redevelopment The local area analysis identified the renewal and deconcentration of large social housing concentrations as a long-term objective, along with developing under-developed land and increasing the number of properties and replacing older stock.	2a) Advocate for development of housing on any surplus or under-utilised government owned land, and that any development should include at least 30% affordable housing.	Short term
		2b) Investigate opportunities to support the delivery of social and affordable rental housing on State owned land within the LGA.	Short term
		2c) Advocate to State Government for the introduction of a publicly available Affordable Rental Housing database to track all affordable rental housing approved under the Housing SEPP or delivered through Affordable Rental Housing Contribution Schemes.	Immediate
Advocate for increased government funding for affordable housing	Government funding is a significant contributing factor to facilitating the delivery of affordable housing. Port Macquarie Hastings Council can advocate on behalf of the community for the dedication of increased funding to deliver affordable housing, including social housing.	3a) Advocate to Land and Housing Corporation (LAHC) for greater partnership and actions to support the delivery and renewal of social and affordable housing in the right locations throughout the LGA that meet community needs and minimise clustering.	Short term and on-going
		3b) Advocate for increased government funding for affordable housing (including social housing and housing for 'key workers') under relevant NSW and federal government programs.	Short term and on-going
Collaborate and partner for a robust housing, homelessness and community services sector	Listening to the community and homeless organisations is important to understand the needs and issues at a local level. Council will endeavour to listen and advocate for the community services sector to continue to support and respond to local housing issues.	4a) Conduct a bi-annual housing forum with stakeholders to understand and discuss key local issues and opportunities for action.	On-going
		4b) Investigate opportunities to strengthen partnerships with Community Housing Providers (CHPs) for increased affordable housing provision.	Immediate and on-going
		4c) Continue to support and build capacity of local homelessness, Domestic Violence, housing and community support services through training programs, hosting local interagency, identifying joint advocacy positions and provision of grant funding opportunities.	

Initiative	Rationale	Action	Timeframe
		4d) Continue to work with the local homelessness sector to respond to and support people sleeping rough through appropriate referral pathways	
		4e) Review and update Council's homelessness protocols to reflect current and best practice in customer service, advice and referral.	

Facilitate and Incentivise -

Initiative	Rationale	Action	Timeframe
Amend local planning controls to facilitate delivery of lower cost and diverse housing in infill or renewal areas.	A review of Council's local planning instruments found that they provide many opportunities to develop smaller dwellings in the LGA. Although, there are a number of ways planning controls could be amended to improve feasibility and further encourage development of smaller and lower cost forms of housing. Smaller dwellings, such as studio and one-bedroom units provided through the private market have the potential to be affordable for low to moderate income earners. Increasing the supply of these dwellings can help facilitate affordable housing.	5a) Continue to exempt secondary dwellings under 60sqm from Section 7.11 Development Contributions.	Immediate
		5b) Amend the Port Macquarie Hastings Development Control Plan (DCP) 2013 to: - Investigate reduced or removal of car-parking provisions Remove minimum parking requirements for studio, one and two bedroom apartments and visitor in higher density zones and locations such as City Heart and East Port Precincts. - Investigate and consider reduced the private open space requirement for Multi dwelling housing.	Short term
		5c) Amend the Port Macquarie Hastings Local Environmental Plan (LEP) 2011 to make Dwelling houses prohibited in Zone R3 Medium Density Residential and to make Secondary Dwellings prohibited in Zone R4 High Density Residential and R3 Medium Density Residential.	Short term
		5d) investigate height of buildings and floor space ratio controls in employments zones (which permit shop-top housing), zone R3 Medium Density Residential and zone R4 High Density Residential.	Short term
Amend local planning controls to facilitate more diverse and smaller housing types in	Affordability in greenfield areas could be enhanced through the delivery of smaller and more diverse housing types. Port Macquarie Hastings Council will apply planning controls to	6a) Amend the Port Macquarie Hastings DCP 2013 & LEP 2011 to encourage a mix of lot sizes to be delivered through development of greenfield release areas.	Short term

Initiative	Rationale	Action	Timeframe
greenfield development areas.	encourage or facilitate development of an increased proportion of smaller dwellings in greenfield release areas.	6b) Investigate additional options to directly impact housing affordability in Port Macquarie Hastings LGA, including supporting the “missing middle” of housing types such as terraces, manor houses, dual occupancies and co-living housing in suitable locations.	Medium term
		6c) Apply low-rise medium density provisions to appropriate parts of greenfield development areas to facilitate development of smaller lots and dwellings.	Medium term
Ensure development and major projects do not adversely impact on affordable housing supply.	Major construction and infrastructure projects can create temporary demand for housing, depending on how many workers are employed on the project, over what period and how many workers have relocated from outside of the area. Certain local development can also result in the loss of low-cost housing due to demolition or re-development.	7a) During housing related strategic planning and policy development, ensure consideration is given to the cumulative financial costs of development and the potential impact this may have on affordable housing.	On-going
		7b) Advocate State Government to allow Regional NSW to levy monetary contributions to offset the loss of low-rental dwellings through demolition, alteration, change of use or subdivision. Currently, contributions can only be imposed in the Greater Sydney, Newcastle and Wollongong regions.	Medium and on-going
		7c) Ensure adequate arrangements in the Social Impact Assessment associated with Development Consent have been made to assist residents who are likely to be displaced to find comparable accommodation.	Immediate and on-going
Facilitate the delivery of affordable housing through Voluntary Planning Agreements	Voluntary Planning Agreements (VPAs) allow proponents of development to propose to deliver infrastructure, assets or other contributions as a public benefit as part of a development application or application to amend planning controls in the Port Macquarie Hastings LEP 2011. A VPA is a planning tool that allows planning authorities and developers to work together to deliver innovative infrastructure outcomes. A VPA can include the provision of or monetary contributions for affordable housing. The Port Macquarie Hastings Council <i>Voluntary Planning Agreement Policy</i> includes affordable housing as a public purpose and something that can be accepted in the agreement. However, the policy does not include any specific provisions or criteria such as the nature and	8a) Develop and implement criteria to guide Council and proponents in negotiating affordable housing to be delivered through Voluntary Planning Agreements such as; criteria for the nature and quantum of a preferred contribution (in-kind or monetary), the method of calculation and the types of developments and precincts to which it would apply.	Medium term
		8b) Investigate the suitability of Affordable Rental Housing provided through VPAs is dedicated to Council and therefore provided in-perpetuity (rather than owned by another party and operating for a limited timeframe).	Medium term
		8c) Investigate opportunity to partner with developers and/or housing providers to deliver demonstration housing projects.	

Initiative	Rationale	Action	Timeframe
	quantum of a preferred contribution, the method of calculation or the types of developments to which it would apply. Providing guidance or criteria on such matters would enhance transparency and accountability.		
Introduce additional incentives for development that delivers affordable housing	There are a number of additional incentives that could be implemented to further encourage development of affordable housing and lower cost housing, including density or height bonuses, waiving or reducing development application fees and/or development contributions. Council can introduce and investigate additional incentives for development that will deliver affordable housing.	9a) Investigate waiving the following fees for development that will deliver affordable housing: • Pre-lodgement meeting fees • Development application fees (excluding integrated development and Planning Reform fees) • Construction Certificate fees (for building work and civil/engineering work) The waiver will apply to development that will provide affordable housing managed by a Community Housing Provider where rents are guaranteed to be affordable to very low and low income households in perpetuity, or for a lesser fixed period.	Short term
		9b) Investigate updating s7.11 development contributions plans to list affordable housing as development that is exempt from payment of contributions.	Short term
		9c) Investigate additional incentives related to relaxation of development standards (such as height, floor space ratios or density bonuses) for development that delivers affordable housing.	Short term
		9d) Prioritise processing of applications for development that will deliver affordable housing.	Medium term
Ensure land use and infrastructure planning facilities have an adequate residential land supply pipeline	A core objective of Council's strategic land use planning is to ensure that there is an adequate supply of land available for development to meet anticipated demand, and that plans and funding arrangements are in place to deliver infrastructure that is required to support new development in a timely manner.	10a) Plan and undertake land use and infrastructure planning programs to ensure a 2-5 year supply of land is zoned for residential development with infrastructure plans in place.	Short term and on-going
	The NSW Government's North Coast Regional Plan 2041 states that Councils should provide for a 10-year pipeline of residential land supply with the first 2-5 years' supply being		

Initiative	Rationale	Action	Timeframe
	zoned and development ready (planning approvals and infrastructure in place).		
Ensure economic feasibility of residential development in infill and renewal areas	Council will seek funding to carry out an analysis of property economics and development feasibility in existing urban areas to determine whether changes are required to planning provisions to improve viability or feasibility.	11a) Carry out an economic analysis of infill development within the Port Macquarie Hastings LGA to understand economic feasibility of infill development in this area.	Short term
		11b) Subject to the completion and findings of the economic analysis, amend local planning controls (if required) to improve economic feasibility of infill development that will deliver smaller and lower cost housing.	Medium term

Mandate

Initiative	Rationale	Action	Timeframe
Mandate provision of smaller, lower cost dwellings in higher density developments in and near to urban centres	Studio, one and two bedroom apartments as part of Residential flat buildings, shop top housing and Multi-dwelling housings developments would be feasible and would increase the supply of lower cost housing and private rentals. Mandating provision of smaller dwellings should only be applied where it does not constitute an undue impost on the feasibility of the development. It should be undertaken after local planning controls are amended to maximise incentives and opportunities as proposed else in this Plan.	12a) Amend local planning controls to require the delivery of smaller dwellings in the following circumstances: - Any residential flat building, shop top housing or multi dwelling housing containing 5-10 dwellings must include at least 20% studio or 1 bedroom apartments/dwellings - Any residential flat building, shop top housing or multi dwelling housing development containing 11 or more dwellings must include at least 20% studio or 1 bedroom apartments/dwellings and 30% 2 bedroom apartments/dwellings.	Short term and as when required
Investigate an empty building levy and short-term accommodation rate	Short-term accommodation and empty dwellings decreases the supply of available dwellings for long-term accommodation, putting upward pressure on rental or purchase prices. In the 2021 Census there were 3,321 unoccupied private dwellings (8.7% of dwellings in the LGA). These dwellings represent an opportunity for secure long-term accommodation for local residents. Empty building levies and special short-term accommodation rates incentivise property owners to return their properties to the general rental market.	13a) Investigate the implementation of an empty building levy 13b) Investigate the implementation of a special rate for short-term accommodation, such as Airbnb properties.	Long term Long term

Initiative	Rationale	Action	Timeframe
Faciliate the delivery of affordable housing through an Affordable Housing Contribution Scheme	An Affordable Housing Contribution Scheme (AHCS) is a Council-led documents which set out how, where and what rate development contributions can be collected by councils for affordable housing. In order to provide housing for a mix of income groups, development within the LGA will be required to make a contribution towards affordable housing.	14a) Investigate introduction of an AHCS as part of any review of planning controls to increase development density or potential in infill and renewal areas.	Medium as required
		14b) Investigate introduction of an AHCS as part of any rezoning of residential growth areas.	Medium as required
	Providing affordable housing ensures people living in low to moderate-income households can continue to live and work in the LGA.	14c) Prepare and implement an AHCS Implementation Policy to support the delivery of a AHCS.	Medium as required



MONITORING, REPORTING AND REVIEW

Monitoring

Monitoring is important to determine the Plans effectiveness and track the progress of the outlined Actions. Monitoring the implementation and outcomes of the Plan will involve tracking and review of the following indicators:

- Completion of (or progress on) Actions listed in the Plan
- Housing supply generally - total number of new dwellings approved and constructed, number of medium and high density dwellings approved and constructed and the % of total dwellings that are medium and high density dwellings.
- Affordable housing supply - total number of new affordable housing dwellings approved and constructed, number of affordable rental dwellings created on Council owned or other government owned land.
- Social (public and community) housing supply - % of total housing that is social housing, delivery of new (additional) social housing dwellings.
- The proportion and total number of very low, low and moderate income households in housing stress
- Achievement of affordable targets outlined in table 1.

Reporting

Updates on the implementation of the Plan will be provided through the Integrated Planning and Reporting framework. Reporting will be the responsibility of the Strategic Planning Team.

Review

A review of the Plan will be commenced within 4 years of its adoption.



GLOSSARY OF TERMS

Affordable Housing - housing that is appropriate for the needs of a range of very low, low and moderate income households, and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. Affordable housing has a statutory definition under the *Environmental Planning and Assessment Act 1979*, being housing for very low, low and moderate income households who pay no more than 30% of their gross income on their rent or mortgage repayments.

Affordable Housing Contributions - A contribution of money or land for the provision of Affordable Rental Housing that is required by a condition imposed on a development consent and that is authorised under Section 7.32 of the *Environmental Planning and Assessment Act 1979*.

Affordable Housing Contribution Scheme - a council-led document which sets out how, where, and at what rate development contributions can be collected by council for affordable housing (*Guideline for Development an Affordable Housing Contribution Scheme, NSW Department of Planning and Environment, 2019*). Affordable housing contributions schemes are enabled by Section 7.32 of the *Environmental Planning and Assessment Act 1979*.

Community Housing Provider (CHP) - A not-for-profit organisation that provides housing for people on a very low, low or moderate income or people with additional needs.

Greenfield Development Areas - An area of non-urban land that is planned and zoned to accommodate new development.

Housing Stress - A situation where a very low, low or moderate income household is spending more than 30% of its income on housing costs (rent or mortgage payments) and consequently may face difficulty meeting other essential living expenses such as food, transport, education, utilities and healthcare.

Key Workers - employees in services that are essential to a regions functioning but who earns low to moderate incomes and whose roles require them being physically present at a work site rather than being able to work from home. Key workers (also termed essential workers) are typically employed in industries or sections such as child care, aged care, health care, emergency services and hospitality.

Low income household - A household whose income is more than 50% but less than 80% of the NSW or Greater Sydney median income. This could include many people working in jobs such as a child care worker, secretary or cleaner.

Moderate income household - A household whose income is between 80-120% of the NSW or Greater Sydney median income. They may include people working in occupations such as teaching, policing or nursing, particularly if they are in the early stages of their careers.

Social Housing - Social housing is affordable rental housing for people on low incomes with housing needs. It includes public, community and Aboriginal housing. Public housing is managed by the NSW Government while community housing is managed by non-government organisations. Aboriginal housing is specifically for Aboriginal people managed by government or community housing providers, including Aboriginal community housing providers.

Very low income household - A household whose income is less than 50% of the NSW or Greater Sydney median income, depending on where they live. They include workers in a range of lower paid occupations, or who are on an aged or disability pension or other government benefit.

Voluntary Planning Agreement - A voluntary and legal agreement between a planning authority and a developer for the delivery of infrastructure, works or other contributions for public benefit as well as positive planning outcomes. Voluntary Planning Agreements are typically offered and negotiated as part of an application for development consent or in connection with an application to amend a planning scheme. Voluntary Planning Agreements are enabled by Section 7.4 of the *Environmental Planning and Assessment Act 1979*.

Contact

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