



Promoting Choice: A Local Housing Strategy for Wyong Shire



Prepared by

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Cover – affordable housing units for frail aged and disabled at Kanwal, Wyong.



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Executive Summary

Background



Wyong Shire Council received funding in 2006 from the NSW Department of Housing's Local Government Housing Initiatives Program to develop a strategy on affordable housing. The project commenced with the appointment of the Affordable Housing Office in June 2006 with the goal of having a housing strategy written and adopted by Council in a 12 month period.

The objectives of the funding are to:

- Research demand and availability of affordable housing in Wyong Shire;
- Identify the impact of current policies on the retention and enhancement of low cost housing;
- Develop a strategy that provides direction for Council on retaining and enhancing low cost housing stock in Wyong Shire;
- Develop and implement policy to maximise opportunities for affordable housing; and
- Facilitate collaboration and partnerships between housing providers, government and the private sector to retain and enhance affordable housing.

The purpose of the Local Housing Strategy is to provide a cohesive framework to address the housing choice issues affecting the Shire population. It identifies Council's commitment and role in working towards minimising the level of housing stress in the Shire by retaining and expanding the provision of diverse housing forms. It also identifies the roles that other stakeholders can play such as State Government, the non-governmental sector and the business sector. This document is designed to inform Wyong Shire Council, the State Government, the business and non-governmental sector and the wider community on the current housing situation in the Shire and make recommendations on on-going sustainable strategies to protect housing choice and promote and produce new and diverse housing options.

The objectives that the strategy is designed to achieve are the following:

- To protect existing and provide new opportunities for diverse housing choices, targeting very low, low and moderate income households;
- To promote community wellbeing through better provision of housing that reflects the diverse population in the Shire;
- To promote the provision of housing choice in a way that contributes to the sustainability of communities, local economies and the environment;
- To ensure current and future affordable housing is accessible to transport, employment, services, and offer the social support networks of strong vibrant communities;
- To promote the provision of housing choice that is appropriate, adaptable and accessible and that allows for its use by everyone irrespective of the user's age, level of mobility, health or lifestyle; and
- To identify an appropriate process that allows for the participation and capacity development of the community, the business and community sector, State Government and Wyong Council in regard to housing choice to ensure the on-going sustainability of the strategy.



Definition

Housing is affordable when households that are renting or purchasing are able to pay their housing costs and still have sufficient income to meet other basic needs such as food, clothing, transport, medical care and education.

Vivienne Milligan (Australian Housing Research Institute) has stated that 'a broad consensus now exists that affordable housing covers any form of government assisted or privately provided housing that can specifically assist households "at risk in the housing market" or "households who can not compete successfully in their local housing market" to attain and pay for housing without experiencing undue financial hardship' (Milligan) Berry UPR vol 24 no.3 Sept 2006.

Formulas are often used to describe housing affordability. For example, it is stated that for very low, low and moderate income households housing is affordable if it costs no more than 30% of the household's gross income. The household is considered to be in housing stress if above this. But while this figure provides a useful benchmark of housing stress, the reality is that the definition of affordability varies according to a household's individual circumstances.

Affordable housing is sometimes misunderstood to mean only public housing. Public housing is certainly a form of affordable housing, although it is steadily decreasing as a percentage of overall housing supply. Depending on the section of the community in need of support affordable housing can also be everything from unassisted home ownership to low rental or below market rental through to boarding houses and emergency accommodation.

How this Plan was Developed

The process to design a Local Housing Strategy for Wyong Shire comprised a number of significant stages that approached the work from a strengths-based perspective. The belief was that for a strategy to not only be well designed but for it to be effective in its implementation it would need the participation of different sections of the community at all stages. Wyong Council, as well as researching Census data and other statistics, needed to consult with the wider community to document what the major housing issues are and what type of housing is in most demand. In identifying where opportunities lay for increasing the supply of housing choice, Council needed to talk with experts in the community who have the knowledge from working in the sector and/or live in areas in need of affordable housing. And in determining what approaches could work to deliver a greater housing choice, Council needed to work alongside key stakeholders who can offer their resources, skills and knowledge to participate in affordable housing initiatives.

The key steps in designing the Housing Strategy have involved:

- Stage 1 - Establishment of a reference group and advisory committee;**
- Stage 2 - Preparation of a detailed housing market study;**
- Stage 3 - Consultation with different stakeholders;**
- Stage 4 - Development strategies appropriate for Council and stakeholders to implement;**
- Stage 5 - Public exhibition of draft Local Housing Strategy;**
- Stage 6 - Adoption of the Local Housing Strategy by Council; and**
- Stage 7 - Implementation.**



Community Accountability

A Wyong Shire Affordable Housing Reference Group was established at the beginning of the project to advise on both the process of preparing a local housing strategy and the design of the strategy itself. The Group comprised representatives from 17 different stakeholder areas across the business sector (including developers), State government departments and non-governmental and community organisations. The following were the participants:

- A Wyong Councillor;
- Centre for Affordable Housing;
- Tenants Advisory and Advocacy Service;
- Coastal Community Tenancy Scheme;
- Pacific Link Community Housing Association;
- Coast Shelter;
- Elandra Women and Children's Service;
- Department of Housing;
- Darkinjung Local Aboriginal Land Council;
- Bungree Aboriginal Association;
- Department of Planning;
- Gosford City Council;
- Department of Community Services;
- Urban Development Institute;
- Central Coast Residential Parks Network;
- Affiliated Park Residents Association;
- Representative from the Supported Accommodation Assistance Program interagency;
- Buldev Pty Ltd; and
- Woodbury Park Estates/Terrace Towers.

In addition to this an internal Wyong Council Advisory Committee was established to provide input into the design, development and implementation of the Strategy. The Committee comprised representatives from the following sections of Council: Social Planning, Development Control, Policy Planning, Land Use Planning and Community Development.

Community Consultation

Consultation was a key stage in the design of the Housing Strategy. In order for Wyong Council to prepare a strategy that could be implemented effectively, it was important to consult with people who are experts in the broad field of affordable housing as well as with the people who experience in their private lives the lack of housing choice in the Shire and the issues that come with it.

As well as the Wyong Shire Affordable Housing Reference Group and the Wyong Council Advisory Committee, a number of approaches were used to ensure a wide range of people were consulted.



Two community consultations and 9 targeted focus groups were held to canvas perspectives from across the Shire on issues on design, supply and management of affordable housing. There were approximately 100 people who attended these consultations. The focus groups involved the following organisations or areas:

- Aged, disability and mental health sector;
- Supported Accommodation Assistant Program services;
- Developers and planning consultants;
- Department of Community Services;
- Tenants' Advice and Advocacy Service;
- Department of Housing;
- Residential park residents;
- Residential park owners and managers; and
- The homeless early intervention Habitat program.

Why the Strategy is Needed

The Central Coast is characterised by a steady growth in household numbers, a high proportion of people on low incomes or unemployed and a sizeable over 55s population. As the changing demographics of the Central Coast and especially the Wyong Shire have created more demand for housing choice, the level of housing affordability has steadily decreased. The current situation is that many households on very low, low and moderate incomes can only find accommodation that leaves them in significant levels of housing stress. With the extensive level of greenfield development in the Wyong Shire there has been no lack of supply of housing. The problem appears to be that the housing stock is not a good match for the current and future demographic profile of the Wyong Shire, particularly for the very low, low and moderate income section of the Shire population

According to the 2001 Census 59.2% of low and moderate household income renters in Wyong and 59.6% of low and moderate household income renters in Gosford were experiencing housing stress; and 43% of low and moderate household income purchasers in Wyong and 47% in Gosford were experiencing housing stress. With a 69% increase in the Wyong Shire median house price from 2001 to 2005 this situation is only getting worse.

Of note is not only the affordability of the housing but also its appropriateness. With a high number of the population aged over 55 along with increasing trends to smaller and lone person households it can be assumed there will be an increase in demand for 1 and 2 bedroom dwellings and a need for greater provision of housing that can accommodate people at different stages of life

The fact that only 20% of the Shire population is able to afford a median priced house and not be in housing stress is an indication of a need for intervention. Having a significant number of the population in housing stress has implications beyond the people with the high housing costs. It will have negative impacts on the local economy, community life and the healthy functioning of all families.

Strategy Recommendations

The following is an overview of the strategy recommendations that are detailed in full in Chapter 8.

In planning for housing diversity the first of the strategies included here have been divided into three approaches: protecting existing sources of housing choice; promoting new opportunities and sources of housing choice; and producing more housing choice. The subsequent strategies consider: how to monitor and evaluate an implementation process; how Council staff and Councillors can support a Wyong Council Local Housing Strategy; what resources are needed; what type of housing will be produced; how the housing will be managed; and the importance of adaptable housing.



8.1 Protecting Existing Sources of Housing Choice

The main private sector supply of affordable housing in the Wyong Shire is in the form of low cost rental accommodation, caravan parks and manufactured home estates. This form of housing often comes under threat as land prices rise and the need to improve the quality and amenities of neighbourhoods and buildings increases. Councils can be proactive in their attempts to either protect existing affordable housing or pursue impact mitigation strategies for the loss of affordable housing through development. Some of the options open to Councils are the following:

8.1.1 Objectives to Protect Housing Choice for Inclusion in Council Planning Instruments

Council can demonstrate its commitment to protecting housing choice and affordable housing by including objectives and specific controls in planning instruments such as the Local Environment Plan. This will allow the development process to play a key role in effectively protecting existing affordable housing. It will also send a clear policy signal to developers in support of the other housing choice strategies.



Recommendation: *Prepare housing choice and affordable housing objectives to protect affordable housing for inclusion in Wyong Council's LEP and other planning instruments.*

8.1.2 Social Impact Assessment

Requiring major re-developments that may threaten the existing supply of or demand for housing choice and affordable housing to undertake a social impact assessment would assist in deciding if the development should go ahead as planned or if some mitigation plan should be put in place. Such a strategy has the advantage of strengthening the SEPP 10 process. Hastings Council in addition to its Social Impact Assessment Policy provides guidelines on how to carry out the assessment. Wyong Council currently requires certain developments to undertake a social impact assessment: this could be tailored specifically for affordable housing concerns.



Recommendation: *Establish a policy that requires major re-development that may threaten the supply of housing choice and affordable housing to undertake a social impact assessment.*

8.1.3 Specific Housing Protection Controls



Specific controls may be created to protect certain types of housing. For example Gosford City Council's LEP 443 is designed to protect the closure of manufactured home estates/residential park villages. Gosford has seen many of their residential parks undergo development or sale with the consequence of removal and dislocation of the residents. LEP 443 is designed to prevent this happening. Although Wyong Shire is not experiencing such a degree of development within residential parks the potential is there considering Wyong's very high number of parks in coastal or lake front land.



Recommendation: *Investigate what controls Wyong Council could use to protect vulnerable types of affordable housing such as residential parks.*



8.1.4 State Environment Planning Policy (SEPP) 10 (Retention of Low Cost Rental Accommodation)

Wyong Council is included under the SEPP 10 provision which allows councils to protect and mitigate against the loss of existing low-cost residential flat buildings. It has proven to be a difficult mechanism for councils to use and many Councils have developed additional policies and definitions to clarify and reinforce the intention of SEPP 10. Also staff need to be trained in recognising an application that may require a SEPP 10 consideration. For example Ashfield Council has prepared a SEPP 10 manual to assist its staff in assessing SEPP 10 applications.



Recommendation: *Investigate how Wyong Council can use SEPP 10 to protect housing choice and affordable housing and prepare and educate staff accordingly.*

8.2 Promoting New Sources of Housing Choice

In order to promote new sources of housing choice Wyong Council needs to clearly articulate its objectives in terms of its desire for diverse and affordable housing. This will encourage and direct provision through the private market to create affordable housing options for low to moderate income households. Some of the opportunities to achieve this are the following:

8.2.1 Objectives to Promote Housing Choice for inclusion in Planning Instruments

Clear planning objectives that promote housing choice and affordable housing should be included in Council planning instruments such as the LEP and DCPs. Currently Council has no such a statement in the LEP. Council could demonstrate its commitment to promoting new sources of affordable housing by having it included in the overall objectives of the LEP and reiterated in the zoning objectives.



Recommendation: *Prepare housing choice and affordable housing objectives to promote affordable housing for inclusion in Wyong Council's planning instruments.*

8.2.2 Zoning of Land

Restrictive zoning can inhibit the private market in delivering diversity of housing choice. With appropriate zoning developers are more likely to take the initiative to provide a diversity of housing options. This is something Wyong Council could ensure happens through requirements in the LEP and DCPs and the rezoning process. Allowing for mixed use zones can provide more affordable housing options, for example near employment locations with lower residential amenities that are therefore less expensive.



Recommendation: *Review zonings as part of the comprehensive LEP review to ensure flexibility that will promote diversity of housing choice.*

8.2.3 Review of Existing Residential Land

Identifying existing residential areas with vacant lots, land that is unutilised and potential redevelopment sites is an effective way of compiling a list of opportunities for affordable housing infill sites. In reviewing these sites there is also the opportunity to identify what constraints there may be to development such as conservation, heritage, topography as well as lot size and land value. Alongside this any development will have to ensure that it fits with surrounding physical and social amenities. With this information Wyong Council would be in a strong position to consult with developers over certain sites and negotiate and encourage further affordable housing supply in targeted areas.



Recommendation: Review existing residential land as part of the comprehensive LEP review to identify infill opportunities.

8.2.4 Rezoning of Land

This strategy is the second stage of point 8.2.3. After identifying infill opportunities and the development constraints of each site, rezoning may be the appropriate course of action to encourage improved housing choice. Rezoning options however do not have to be limited to urban infill sites but can consider more rural locations that could accommodate affordable housing options such as manufactured home estates/residential parks.

Manufactured home estates/residential parks are a popular form of affordable housing in Wyong Shire and if the correct locations are found more provision of this type of living could have an impact on people currently in housing stress.



Recommendation: Identify land as part of the comprehensive LEP review that through rezoning would encourage the provision of diverse and affordable housing.

8.2.5 Revision of DCP 23

In relation to the above point on manufactured home estates/residential parks it has been argued strongly by many of participants of the consultation focus groups that this type of housing can be, and in many cases in Wyong Shire is, a good example of affordable housing. If appropriately managed with opportunities for resident input, this style of living can be very popular and affordable. Wyong Council has undertaken a review of DCP 23 Caravan Parks but with no final decision taken on a new direction. Wyong Council could review DCP 23 from a housing choice and an affordable housing perspective and consider ways to promote more manufactured home estates/residential parks in line with Council environmental controls. As many of the residents in the parks are seniors, design of the parks is very important, and Council should consider how the parks can be made to be adaptable and accessible for frail and aged residents.



Recommendation: Review DCP 23 from the perspective of promoting caravan parks and manufactured home estates/residential parks as an appropriate form of affordable housing.

8.2.6 Development Controls that Inhibit the Provision of Housing Choice

Amendments to development controls that inhibit cost saving opportunities or promote only expensive types of housing should be considered. Controls that relate to housing density, lot size, the size and type of building and construction materials used can have clauses for special provisions to encourage affordable housing.



Recommendation: As part of programmed DCP reviews, assess planning regulations relating to particular areas to look for development controls that inhibit the provision of housing choice and affordable housing.



8.2.7 Promotion of Accessory Dwelling Units (Granny Flat)

Accessory dwelling units (granny flats) can be attached to a larger dwelling or be a separate dwelling. They can be a practical way of improving both the affordability of rental and owner occupied housing and at the same time creating more supply of small rental properties. They are suitable as housing for older people that promotes independent living or as housing for older children. Wyong Council could change its current planning controls to permit the use of existing accessory dwelling units and to encourage the supply of more of this type of dwelling. Any policy would be subject to meeting access, design, amenity and other planning requirements. This approach can make better use of existing stock without the need for wide spread development to have an impact on the level of affordable dwellings.



Recommendation: *As part of the comprehensive LEP review and the programmed DCP reviews, consider the provision of new accessory dwelling units in line with acceptable environmental controls.*

8.3 Producing More Housing Choice

Wyong Council has at its disposal planning tools that can be used to facilitate the construction of affordable housing or the dedication of funds or lands for the same purpose. There are three main opportunities for councils to use their planning powers to produce affordable housing:

- 1 A scheme under which a levy through contributions (or actual dwellings) is imposed as a condition of consent;
- 2 An approach that involves negotiations with developers for particular developments which lead to conditions being imposed through planning agreements that are acceptable to both parties. This may or may not deliver concessions to the developer;
- 3 A scheme that offers incentives in development control plans to developers in order to deliver some form of affordable housing or equivalent levy

The first approach uses a mandatory requirement for developers to contribute in some form to affordable housing. However, for councils to be able to compel developers to do this requires the council to have an approved affordable housing plan in their Local Environment Plan and to be authorised under SEPP 70. There are currently only three affordable housing schemes that are included in SEPP 70: Ultimo-Pyrmont; Green Square and Willoughby. Other councils have applications with the Department of Planning to be included in SEPP 70 but the lack of a decision as to whether this is a feasible way for councils to deliver affordable housing would seem to indicate that NSW State Government is not supporting this approach. Consequently under the current conditions it would not seem to be in Wyong Council's interest to pursue this strategy.

The second and third approaches allow for negotiation with developers and are usually tailored to be site specific for a particular development. The main distinction between the approaches is that planning agreements (the second approach) can happen without councils having an affordable housing strategy. They require a greater level of negotiation before a development application goes before council and are less transparent when there is no guiding council policy. Recent changes to the Environmental Planning and Assessment Act 2005 in section 93F have established a regulatory framework for councils and developers to deliver affordable housing through planning agreements. This can be for both the cost of providing affordable housing and/or the funding of recurrent expenditure in managing affordable housing (Shelter, 2006)



The third approach uses incentives to encourage developers to incorporate affordable housing into a development through variations in planning controls. The incentives increase the overall value of a project with the increase in value being enjoyed by both parties – a more profitable project for the developer and affordable housing provision for the council. It requires a baseline planning requirement that can be varied in return for some form of contribution. This is normally defined in detail in a development control plan with the following standards permitted to be modified:

- Floor space;
- Lot sizes;
- Building heights;
- Setbacks;
- Landscaping;
- Car-parking requirements.

In both the second and third approach, a council needs to consider whether there is a net public benefit in allowing a development to go ahead that has alternative standards in order to deliver some form of affordable housing that under normal conditions would not be permitted.

With these options in mind Wyong Council could use the following approaches to produce new affordable housing:

8.3.1 Planning Incentives

Developers can be encouraged to supply affordable housing through the use of a planning incentives scheme. This should be included in a development control plan that outlines the possible variation in planning controls and/or development standards. The policy needs to consider things such as: will the development size determine whether only a levy is required or actual affordable dwellings are supplied; what are the advantages and disadvantages of the dwellings being included as part of the overall development or being situated elsewhere; what is the public benefit of the concessions being used; and the process to establish a deed of agreement between the applicant and Wyong Council. Planning incentives are also an effective way to deliver affordable housing in buildings designed for non-residential purposes such as shop top development.



Recommendation: *Develop a planning incentives scheme to encourage developers to supply affordable housing.*

8.3.2 Planning Agreements

Planning agreements can be an effective tool to deliver affordable housing. Their promotion and use should draw on the recent changes in the EP&A Act Section 93F that establishes a framework for voluntary agreements between councils and developers for provision of affordable housing. Wyong Council would not be able to require developers to enter into a planning agreement as a condition of development consent. Instead the policy would allow for flexible and innovative ways for developers to supply affordable housing in circumstances that are inappropriate for the use of the planning incentives scheme. It is important that the developer has a key interest in delivering public infrastructure. The policy should outline the requirements of what is to be included in a planning agreement according to part 3 of Section 93F of the EP&A Act.



Recommendation: *Prepare a formal policy on how to promote and use planning agreements to deliver affordable housing.*



8.3.3 Rezoning

Wyong Council should consider any request for rezoning in light of its implications for diverse and affordable housing supply. This would give Council the opportunity to, if appropriate, have as a requirement of rezoning some form of affordable housing contribution. This process could also be part of or support any planning agreement that might be established.



Recommendation: *Establish a policy that, as part of the rezoning process, Wyong Council consider any request for rezoning in light of its implications for diverse and affordable housing supply.*

8.3.4 Diverse Housing Requirements

Requiring a diversity of housing forms to be provided in multi unit developments can improve housing choice. When developments are planned that include more than a certain number of units, it should be required that a minimum amount of one bedroom units and a maximum number of 4 /5 bedroom units are provided. An example of this is Leichhardt Council's LEP that has a requirement for diverse housing provision in multi-unit developments.



Recommendation: *As part of the programmed DCP reviews consider requirements for diverse housing forms in multi-unit developments.*

8.3.5 Joint Ventures

Wyong Council could consider facilitating and participating in joint ventures to produce more housing choice. Already Council has successfully worked with the Office of Community Housing and Coastal Community Tenancy Scheme in a joint venture to provide 12 dwellings for frail aged and disabled people on low incomes in the Kanwal area. Council provided the land as its component. With this precedent Council could look for other possible sites that would play a key part of an affordable housing joint venture. Council could donate the land and thereby reduce the overall price of the development or it could defer payment which will reduce the overall upfront cost of the development. This strategy will benefit from the work undertaken in 8.2.3. In situations where Wyong Council is not in a position to participate and contribute to an affordable housing joint venture, it is still in a strong position to identify, initiate and facilitate joint venture opportunities.

From the project Reference Group and the consultation focus groups, there was a strong message that Wyong Council should consider a joint venture that creates a residential park intentionally managed as an affordable housing project. If Wyong Council were to contribute a significant asset, such as land, this would considerably reduce the cost of the project whilst allowing Council to influence what type of management is created.



Recommendation: *Facilitate and/or participate in affordable housing joint ventures and look to what assets Council can contribute to such ventures.*

8.4 Monitoring and Evaluating the Affordable Housing Strategy

In order to maintain an accurate picture of the local housing market and the provision of housing choice it will be necessary to update the housing market analysis carried out in Chapter 6. Alongside this it will also be important to gather other specific information that is currently not recorded to provide the benchmarks and developments that will assist in assessing the effectiveness of the strategies undertaken.



The release of the latest Census data - to happen in late 2007 – will allow updating of the housing market analysis. Other indicators not currently recorded that are important to revealing a more accurate picture of affordable housing supply and levels of housing stress are the following:

- Each DA approval should record the type of housing, number of bedrooms, bedroom configuration for multi unit dwellings, value of property pre and post development, and if rental property average rent and tenants;
- A list of caravan parks and manufactured home estates/residential parks and the number of permanent sites, emergency accommodation sites and any other non-tourist type of residency;
- Loss of any affordable housing (low cost private rental, caravan parks etc.);
- Outcomes of any social impact assessments (or SEPP 10 applications) for affordable housing purposes; and
- A stocktake of Council owned land.

Also as each strategy is commenced it should have its own monitoring and evaluation process to feed into this overall measuring system. This should provide information on the way the strategies are being carried out as well as the impact of the actions. The Wyong Shire Affordable Housing Reference Group should meet every 6 months to monitor progress of the implemented strategies as well as to provide feedback on their own professional area as to any changes they have observed regarding the housing sector.



Recommendation: Undertake a monitoring and evaluation process for each strategy that is implemented.

8.5 Council Support for Affordable Housing

An integral part of any local government housing strategy will be the council's public support for the initiatives. Councils that take a leadership role and communicate their support both internally and externally are more likely to see the planning controls and other aspects of the strategy successfully implemented. Demonstrating political commitment to the strategy is as important as properly resourcing the implementation of the strategy.

The need for the Councillors to support and advocate on behalf of the strategy was a point that was made many times at the consultations. Often there is community resistance to medium and high density developments and the Councillors should take more of a leadership role in promoting the importance of well designed, appropriately located and socially mixed medium and high density dwellings. Both Councillors and Council staff can encourage the community to actively participate in the design of their neighbourhoods through consultations and workshops that will lift the stigma and misconceptions that often surround affordable housing. Other approaches such as media releases, official openings of new affordable housing dwellings and design awards can also develop better community awareness.



Recommendation: *Develop a promotional/communications strategy to complement the other housing strategies.*

8.6 Resources

Resources are required to implement the strategies in this document. It is proposed that an on-going dedicated Wyong Council position of Housing Officer be created. This position, to be located in Future Planning, will perform a strategic role in developing the policies and approaches outlined in the recommendations that will deliver improved housing choice within Wyong Council's ability. The role of the Housing Officer will be to:

- Undertake the actions in the strategy.
- Monitor progress of the actions.
- Liaise with stakeholders.
- Promote community awareness of housing choice opportunities and issues.



Recommendation: *Establish a Housing Officer position.*

8.7 What Type of Housing to Provide

The housing market analysis in Chapter 6 along with the community consultations has indicated that there is a need for more 1 and 2 bedroom private rental units in Wyong Shire. Increasing the supply of this type of housing will go some way to addressing the availability of affordable units. Designated affordable housing that is managed by a community housing association and that offers below market rent will directly increase the availability of affordable housing. However there is also a demand from large families on low incomes for affordable 4 bedroom houses. In addition to this there is demand for adaptable housing for frail, aged and disabled from low income households.

Deciding what type of affordable housing to provide in a particular development will be determined by a number of factors such as: what are the main affordable housing needs for that area; what type of affordable housing is appropriate to the overall development; where exactly should the affordable housing be located etc. To assist this process of determining what type of affordable housing to provide it is important to have a check list of information needed before any decision is taken with a development application.



Recommendation: *Design a checklist of information to inform the process of deciding exactly what type of affordable housing will be provided in a particular development.*

8.8 Managing the Tenancy of Affordable Housing

Once designated affordable dwellings are created the next stage is deciding who is entitled to live there, how much they will pay and how the tenancy will be managed. Traditionally councils have not got involved with the on-going management of affordable housing. There are organisations that are already very skilled in undertaking these tasks in the form of community housing associations. Wyong Shire has two community housing associations working in the area: Coastal Community Tenancy Scheme and Pacific Link Community Housing Association. A typical situation would be where a developer provides a number of units to Council in return for a planning control bonus: the Council then contracts a community housing association to headlease the units and the community housing association manages all aspects of the tenancy process. Other options exist where the properties are transferred from the council to the



community housing association with certain restrictions on what can be done with the property. The advantage of this is that the community housing association can enjoy the equity of the asset and use it to develop their portfolio of assets and consequently be able to provide more affordable housing. Other council models look at the dwellings as opportunities for community development initiatives and work with the tenants in skill development projects where they take a more proactive role in managing the administration and maintenance of their dwellings.



Recommendation: *Develop a process for ownership and management of any affordable housing created.*

8.9 Adaptable Housing

Discussion took place at the consultation stage about the need for more provision of adaptable housing in the Shire. This is a type of housing that is designed in a way that can be modified easily to become accessible to both residents and visitors with disabilities or progressive frailties. An effective approach for Council to take is to adopt the principles of Universal Design that promote good design for everyone and doesn't single out certain groups for specific design, such as people with disabilities. Specific design or 'barrier free' approaches can often produce stigmatising separate solutions, for example a ramp that leads to an entrance other than the main entrance. Universal design strives to be a broad-spectrum solution that helps everyone, not just people with disabilities. As well as endorsing the principles of Universal Design Council could require a certain percentage of developments to include accessible and adaptable design standards according to the Australian Standards, 1428 and 4299. These standards give specific guidelines on how to design adaptable and accessible housing. Council could require a minimum mandatory amount of accessible and adaptable housing depending on the size of the development and could also offer a bonus for additional provision using the principles recommended in 8.3.1.



Recommendation: *Include the principles of Universal Design in the LEP and develop a policy that has a mandatory requirement for all new multi-unit residential developments to have a percentage of adaptable and accessible housing in accordance with Australian Standards 1428 and 4299.*

8.91 A DCP for housing for older people or people with a disability

State Environmental Planning Policy (SEPP) (Seniors' Living) 2004 aims to ensure a sufficient supply of accommodation for older people and people with a disability by relaxing local residential development controls, subject to strict locational and design criteria to ensure that such housing is of a high quality and well located. Seniors' Living has clarified some of the issues associated with the repealed previous SEPP No.5 . However a number of councils still have concerns around the new Policy such as the location and development of senior living developments, the development of senior living facilities in inappropriate non-urban areas, and the monitoring and enforcement of occupancy restrictions. Many councils have taken the decision to request an exemption from SEPP (Seniors' Living) and prepare their own Development Control Plan for older people and people with a disability. A DCP can allow for greater detail, flexibility and local level appropriateness not offered by Seniors' Living.



Recommendation: *research the need for a specific DCP for housing for older people and people with a disability*



Costing

The cost of the above recommendations is almost exclusively confined to human resources. If the recommendations are adopted the resourcing of the Housing Officer (8.6) position will allow for all the other recommendations to be carried out.



Housing in the Wyong Shire



1 Introduction

1.1 The Project

Wyong Shire Council received funding in 2006 from the NSW Department of Housing's Local Government Housing Initiatives Program to develop a strategy on affordable housing. The project commenced with the appointment of the Affordable Housing Officer in June 2006 with the goal of having an affordable housing strategy written and adopted by Council in a 12 month period. A Residential Strategy was written in 2002 with the focus specifically on land-use planning and development. However Wyong Council hasn't previously had a housing strategy of any form.

The objectives of the funding are to:

- Research demand and availability of affordable housing in Wyong Shire;
- Identify the impact of current policies on the retention and enhancement of low cost housing;
- Develop a strategy that provides direction for Council on retaining and enhancing low cost housing stock in Wyong Shire;
- Develop and implement policy to maximise opportunities for affordable housing; and
- Facilitate collaboration and partnerships between housing providers, government and the private sector to retain and enhance affordable housing

1.2 Aim of the Housing Strategy

Wyong Shire Council recognises that it can have an impact on improving the housing situation for local communities in the Shire. The purpose of the Local Housing Strategy is to provide a cohesive framework to address the housing choice issues affecting the Shire population. It identifies Council's commitment and role in working towards minimising the level of housing stress in the Shire by retaining and expanding the provision of affordable housing. It will also identify the roles that other stakeholders can play such as State Government, the non-governmental sector and the business sector. This document is designed to inform Wyong Shire Council, the State Government, the business and non-governmental sector and the wider community on the current housing situation in the Shire and make recommendations on on-going sustainable strategies to protect existing affordable housing and promote and produce new, affordable housing options.



Housing in the Wyong Shire



The objectives that the strategy is designed to achieve are the following:

- To protect existing and provide new opportunities for affordable housing targeting very low, low and moderate income households;
- To promote community wellbeing through better provision of housing that reflects the diverse population in the Shire;
- To promote the provision of housing choice in a way that contributes to the sustainability of communities, local economies and the environment;
- To ensure current and future affordable housing is accessible to transport, employment, services, and offer the social support networks of strong vibrant communities;
- To promote the provision of housing choice that is appropriate, adaptable and accessible and that allows for its use by everyone irrespective of the user's age, level of mobility, health or lifestyle; and
- To identify an appropriate process that allows for the participation and capacity development of the community, the business and community sector, State Government and Wyong Council in regard to housing choice to ensure the on-going sustainability of the strategy.



2 Background

2.1 Legislative Background

The NSW Environmental Planning and Assessment Act (EP&A Act) encourages the provision and maintenance of affordable housing. The Act states that local government planning instruments may make provision for 'providing, maintaining and retaining, and regulating any matter relating to affordable housing'. Three levels of planning - state, regional and local - are provided for under the Act and while Councils have the primary responsibility for preparing and implementing local plans they must do so within the state and regional policy framework.

The following are State Environmental Planning Policies (SEPPs) that relate to affordable housing:

- SEPP 10: Retention of Low Cost Rental Accommodation.
- SEPP 9: Group Homes.
- SEPP 21: Caravan Parks.
- SEPP 36: Manufactured Home Estates.
- SEPP 53: Metropolitan Residential Development.
- SEPP 65: Design Quality of Residential Flat Development.
- SEPP 70: Affordable Housing.
- SEPP Seniors Living 2004.
- SEPP Major Projects.

Also Section 117 of the EP&A Act enables the Minister for Planning to make special directions about the content of Local Environmental Plans. There are two sections of S117 Directions that are relevant to housing:

- Direction No.18: Manufactured Home Estates and Caravan Parks.
- Direction No.21: Residential Zones.

The 2006 Sydney Metropolitan Strategy encourages Councils to undertake a housing market and supply analysis to guide Local Environmental Plans (LEP), taking into account needs of an aging population, changing demographics and household formation, housing affordability, adequacy of supply, development economics and market trends. Councils are encouraged to include affordable housing in their plans, strategies and in specific residential development schemes. The standard LEP will allow affordable housing provisions. The Sydney Metropolitan Strategy has the following actions "incorporate housing affordability objectives in urban renewal planning, and encourage agencies responsible for urban renewal to assess impacts on the affordability of housing and use mitigative measures...and provide for affordable housing as part of the standard Local Environmental Plan" (Sydney Metropolitan Strategy, 2006).

The Draft Central Coast Regional Strategy, released in September 2006, makes reference to Wyong Council preparing an affordable housing strategy and supports the supply of low cost housing, suitable zonings and development controls to improve housing choice, along with the role of residential parks/manufactured home estates, as approaches for delivering affordable housing. It has the following action "Consider a range of affordable housing strategies, including forms of low-cost housing, suitable zonings and development controls to improve housing choice, and specific schemes" (Draft Central Coast Regional Strategy, 2006).

The Local Housing Strategy links into other areas of Wyong Shire Council planning through the following documents.



The 2006/2007 Management Plan states that Council will:

- Complete an Affordable Housing Strategy and commence implementation of recommendations; and
- Commence a Development Control Plan for housing for older people or people with a disability.

The Wyong Shire Community Plan (2002) identifies a number of strategies concerned with the area of housing and homelessness:

- Advocate for additional funding for affordable housing for people who are financially disadvantaged;
- Ensure an adequate level of affordable and appropriate housing in the Shire;
- Ensure aged housing development is appropriate to the needs of older people and people with disabilities.

Wyong Council's Residential Development Strategy (2002) states that information regarding housing markets, affordability, rental supply, cost and demand, housing stress, potential gentrification of areas and population thresholds for essential human services is essential to longer term planning of housing.

2.2 Council's Role



Local government can have an impact on improving housing outcomes for communities. It has a number of planning tools at its disposal relevant to the supply, mix and costing of housing and as a consequence it has a key role and responsibility in influencing existing and future development.

Local Environmental Plans, the main planning instrument at the local level, can be an important instrument to protect existing sources of low cost housing and promote additional housing choice within an area. This can be supported through Development Control Plans with components that allow for initiatives such as inclusionary zoning and bonus systems. Also local government has at its discretion the ability to waive fees payable to Council to further reduce the cost of affordable housing projects and make them more viable.

Local government can play a strong role in promoting awareness about housing issues within an LGA. This may involve conducting research into the current level of housing stress and the contributing factors, as well as subsequent advocacy to other levels of government on local housing need and the impact of government policies. This research can be an important resource to residents, developers and community organisations

As a holder of land, local government can identify possible land for affordable housing initiatives. This allows for a partnership approach in designing, delivering and managing affordable housing with other organisations, such as Department of Housing, community housing providers, Home And Community Care services etc., being able to play a role. It also opens up opportunities for local government to apply for grants programs that support affordable housing projects and local governments are in a strong position to make an in-kind contribution to such projects through land donations. Furthermore Local government can identify State and Community owned land that may be suitable for affordable housing.



In relation to this local government is in a key position to support and facilitate the negotiation process between government, non-government and private sector organisations involved in affordable housing projects.

An example of a successful partnership delivering affordable housing in the Wyong Shire is the joint venture between the Office of Community Housing, Coastal Community Tenancy Scheme and Wyong Council. In 2000, 12 units for frail aged and disabled people on low incomes were built. Wyong Council provided the land, the Office of Community Housing provided the finance for the design and construction of the housing and Coastal Community Tenancy Scheme manages the on-going tenancy. The photo below (as well as the photo on the title page) shows the type of housing built.

2.3 Stakeholders' Role

It is important to the success of the strategy that stakeholders are involved in the different stages of the project. These stakeholders will be from the business sector, the community/human services sector, State Government and the wider community (see Part 7 for more detail). Certain groups will play more or less of an active role depending on the stage of the project, for example community representatives and local businesses will be important sources of information when identifying housing need, while the support of local resident groups may be needed when implementing certain aspects of a strategy such as changes to planning provisions. Also the community housing sector will be crucial to the long-term management of any established affordable housing.



Kanwal, Wyong



Consequently the sustainability of any strategy will depend on the capacity and commitment of all stakeholders to support, implement and manage a variety of housing choice initiatives.



3 The Need for Housing Choice

3.1 Defining Affordable Housing



From Wyong Council's perspective affordable housing is concerned with promoting housing choice and consequently creating innovative policies that allow Shire residents to live where they chose and in homes they can afford.

Vivienne Milligan (Australian Housing Urban Research Institute) has stated that 'a broad consensus now exists that affordable housing covers any form of government assisted or privately provided housing that can specifically assist households "at risk in the housing market" or "households who can not compete successfully in their local housing market" to attain and pay for housing without experiencing undue financial hardship' (Milligan) Berry UPR vol 24 no.3 Sept 2006.

Formulas are often used to describe housing affordability. For example, it is stated that for very low, low and moderate income households housing is affordable if it costs no more than 30% of the household's gross income. The household is considered to be in housing stress if above this. But while this figure provides a useful benchmark of housing stress, the reality is that the definition of affordability varies according to a household's individual circumstances.

Research has shown that in NSW individuals working in key services on low-to-moderate incomes such as those working in childcare and aged care, police, ambulance personnel, nurses, community development workers and transport workers, are finding it increasingly difficult to find affordable housing close to their work places. Consequently affordable housing is no longer an issue for the most marginalised in the community. Any strategies designed to increase the supply of affordable housing, and improve housing choice, need to target this section of the community as well as low to moderate income earners who may be in high levels of housing stress.

Affordable housing is sometimes misunderstood to mean only public housing. Public housing is certainly a form of affordable housing, although it is steadily decreasing as a percentage of overall housing supply. Depending on the section of the community in need of support affordable housing can also be everything from assisted home ownership to low rental or below market rental through to boarding houses and emergency accommodation.

The diagram below gives an overview of the different types of housing options and how they relate to particular target groups.



A CONTINUUM OF AFFORDABLE HOUSING OPTIONS

Models

Group homes Crisis services	Public and community housing supported tenancies	Public and community housing	Low-cost rental – boarding houses, caravan parks	Below market rental	Market rental	Assisted home ownership, shared home ownership	Unassisted home ownership
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Increasing Government assistance

Reducing Government assistance

Very low income, homeless, high support needs	Nominated places for people needing support linked to housing	Very low income families and the aged	Work ready clients, singles, low paid workers, students	Key workers, low and moderate income families
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Target Groups

3.2 The Importance of Affordable Housing to Create More Housing Choice

Affordable housing is best understood in terms of what it means to a community to have adequate provision of housing is that is well designed, appropriately located, affordable and adaptable. The following are some areas that are directly impacted on by the level of supply of affordable housing:

- **Functionality of Communities** – The fact that 25.2% of Central Coast working population travels outside the area to go to work is a reflection both on the employment situation on the Coast and also the housing affordability of the areas where the commuters work. This is also true of work travel within the Central Coast. Employment hubs often have more expensive housing in their immediate vicinity and people on low incomes/key workers have longer travelling time to get to work. This has implications for family and community wellbeing. If families are in housing stress it will have a direct impact on their ability to: create a strong, resilient family unit; provide for the other necessities of life such as health, education, recreation; and participate in community activities;
- **Impact on Local Economy** – If households are paying high mortgage and rental prices in a certain area then the spending power of their residual income is reduced. This can have a major impact on the local economy with depressed levels of consumption and the concomitant low employment levels. A lack of affordable housing can condemn communities to a vicious cycle of economic marginalisation;
- **Spatial Concentrations** – Lack of affordable housing can create ghettoisation of certain areas and concentrated pockets of disadvantage develop. Ensuring a community has a diverse social mix reduces the likelihood of an area getting a stigma and it is argued that more opportunity for improved levels of employment, education etc comes with the social capital;



- Adaptable Housing – Provision of housing that is appropriate for all the stages of our lives within an area ensures all ages can reside and not have to move as they age. Designing housing that is easily adapted for people with differing levels of frailties and disabilities has been shown to not be excessively expensive and promotes inclusive communities.



Bullwarra, Sydney (City West)



From Wyong Council's perspective affordable housing is concerned with promoting housing choice and consequently creating innovative policies that allow Shire residents to live where they chose and in homes they can afford.



4 The Housing Debate



Housing in the Wyong Shire

Housing is a contentious subject. There are divergent views on every aspect of the housing industry whether it is to do with interest rates, house prices, residential design, public housing, or land supply. There is also a large body of research to support these debates and this section will take a look at some of the current thinking as to why it's considered there is a housing crisis and what can be done to alleviate it.

The different factors that influence the type, amount and price of housing produced can be grouped into four main areas: Socio-demographic aspects; government policies; economic factors; and housing system factors.

- Socio-economic factors include: household growth patterns; household structures and size; migration and regional mobility; and age distribution and settlement patterns;
- Government policies include: subsidies and expenditure on housing; taxation and employment policies; income support policies; urban growth management policies; tenure and property regulations; and macro economic management policies;
- Economic factors include: interest rates; inflation; employment and income trends; and capital markets;
- Housing system factors include: housing design preferences; supply characteristics; different cost structures involved with development; and industry structures (Milligan, 2007)

In the post World War II period Australia established its first housing policy and began extensive construction of public housing. By the 1960s most of the housing shortage had been addressed. Over a period of decades this policy shifted to encourage home ownership. Since the 1970s the housing policy moved towards a welfare model of housing provision. This welfare model approach continues and in recent years has been intensified.

The Government can intervene and influence on both the demand and supply side of housing. On the demand side, other than maintaining incomes at an appropriate level to house prices the main method of intervention is through housing allowance (Commonwealth Rent Assistance). On the supply side the Government can intervene through: regulations on land, labour and capital; regulations on quality and quantity of production; and rent regulations. Taxation policies on income and property sales will influence both the demand and supply side of housing.

The current policies of the Government are: on the demand side, the Commonwealth Rent Assistance program and the First Home Owners Grant; and on the supply side, the Commonwealth State Housing Agreement, the Supported Accommodation Assistance Program, Indigenous housing programs and the State land agencies. There are taxes and charges relating to the housing industry at the Commonwealth,



State and Local level. Also there are regulations that relate to planning, building and development controls, property exchange and the mortgage finance sector (Milligan, 2007).



The policy shifts of the last decade have seen some significant changes in the housing industry and market. These along with the other factors mentioned at the beginning have combined to create what is being referred to currently as a housing crisis. There is great debate around which of the factors have predominantly determined this housing crisis. The following are the demand side factors contributing to the current housing situation:

- Demographic changes: a large increase in smaller households; and household growth has exceeded population growth
- Financial changes: increase in access to finance and especially no-doc and zero equity loans; rise in real incomes and growth in wealth; low interest rates; and tax incentives that promote investment in certain areas of the housing market such as negative gearing and capital gains tax;
- Labour market changes: uneven distribution of rise in incomes and wealth accumulation; and the casualisation of the labour market has marginalised a section of the population who are unable to enter the housing market.

The following are the supply side factors contributing to the current housing situation:

- A reduction in supply of low rent dwellings: There was a steady loss in low cost rental stock between 1996 and 2001 in NSW with any redevelopment happening solely at the top end of the market. The top quintile experienced all the growth in this period while there was a drop in absolute terms in the rental housing in the bottom four quintiles (Yates, Wulff and Reynolds, 2004);
- Low level of land supply: this is quite a controversial area and one that is cited by certain groups as being the key reason for the current housing crisis;
- Increasing size and quality of housing; since 1955 the average size of a new house in Australia has doubled in size while the number of people in it has shrunk from 3.8 to 2.5;
- Declining public housing supply: expenditure on public housing declined by 30% in the decade to 2006 with a 11% fall in stock (Berry 2004);



There are a raft of statistics that point towards why the current housing situation is considered to be in crisis. Macquarie Bank analysis has shown that house prices in NSW have risen 75% faster than wages over the past two decades (Gilling, Muscat and Smallacombe 2007). A recent study carried out by Demographia found Sydney to be the seventh most unaffordable city in the world (Demographia 2007). The number of first home buyers halved from 2001 to 2004 despite low interest rates (Powall and Withers 2004). The Department of Housing has a waiting list of 70,000 people. 1 in every 7 households is paying more than 30% of their income on housing (considered to be in housing stress) and most of this group is low income renters (Yates, Berry, Burke, Jacobs, Milligan and Randolph 2006). Recent research found that 27% of people who spent 40% or more of their income on rent had reported that their families had sometimes gone without meals (Burke 2007).

The debate as to why this situation has come about centres around the housing demand and supply factors with certain factors considered key depending on which side of the argument you are on. Gilling, Muscat and Smallacombe synthesize the different arguments into 2 distinct camps: those who believe house prices to be cyclical; and those who believe them to reflect structural distortions. At the State level the Government is arguing that last year's interest rate hikes increased repayments and consequently flattened the market and scared off investors. The Opposition argues that it is the land taxes and levies that are pushing up house prices. Both these arguments assume that property markets are cyclical and that conditions will improve by changing the monetary policy and tax levels. Gilling, Muscat and Smallacombe argue that these factors are important but the real lynchpin for the current crisis is the level



of land supply – a structural distortion. The fact that the land component of the price of a new home in Sydney comprised 32% in 1976-77 and in 2005 comprised 62% is a consequence of the level of available land. Furthermore building costs have remained stable over this period. The conclusion that Gilling, Muscat and Smallacombe come to is that housing cost escalation is principally a result of land supply.

As only 2% of housing supply is new homes, other researchers and commentators argue that although land supply is a factor there are many other more significant and interrelated aspects (Milligan, 2007). House prices are essentially driven by demand and the more tax breaks and incentives there are to encourage people to invest in the housing market the more demand there is. The Productivity Commission in 2004 recommended that the Government drop its policy on negative gearing which would cut the number of middle class investors who force up the price of first homes (Productivity Commission, 2004). The negative gearing rules allow investors to push part of their losses onto other tax payers. In 2003-04 tax figures showed 938,000 rental owners declared losses of \$6.1 billion (Colebatch, 2006). This is the equivalent of two-thirds of landlords telling the taxman they are losing money.

Other aspects that need to be factored into the equation are: the average size of a new house has changed in recent decades; the deregulation of the financial sector where previously banks required a 20% deposit for a loan and now offer zero equity loans; and the boom economy that has retirement savings looking for opportunities to invest and have in the past 10 years ended up in the housing market (Nolan, 2006).

As well as regressive tax expenditures and land supply bottlenecks, other Government policy that comes in for specific criticism is the Commonwealth State Housing Agreement: it no longer has its pathway to homeownership; has no capacity for growth due to funding cuts; is targeted to a very narrow section of the population; and, consequently creates stigmatised neighbourhoods (Milligan, 2007). Also the Commonwealth Rent Assistance and First Home Owners Grant are criticised for not targeting the people most in need of the support and produce limited housing outcomes (Milligan, 2007).

In response to the current housing crisis and the criticism surrounding policy, there is an initiative that takes a national approach and includes all levels of government. It is the Framework for National Action on Affordable Housing and has been agreed to by Planning, Housing and Local Government Ministers. It recognises both the need for improved market mechanisms and more extensive assistance measures and has a focus on affordability for low to medium income households. It has the following commitments:

- Create a National Sector Development Plan for the not for profit housing providers, which will enable them to participate in large scale affordable housing initiatives;
- Adopt a national approach to defining and analysing affordable housing need at geographic levels, which is reflected in planning policy and regulations and provides comparable standards of affordability. The use of clear definitions and a consistent process to identifying housing need will ensure identification of the range of household needs and inform the range of tenures, products, and price points necessary to deliver housing to meet those needs;
- Review current subsidy streams and investigate the potential to strengthen certainty in light of the commitment to increase the role of the private sector and the development of the not for profit sector;
- Identify mechanisms and policy initiatives that will deliver increased affordable home ownership and rental opportunities for low-moderate income households for consideration by Ministers.

It is hoped this Framework will promote housing choice and diversity. Through private, not for profit and government partnerships that bring investment from each sector, an increase in affordable housing will allow an asset class to develop within the community housing sector. The Framework will provide appropriate regulation to encourage leverage of assets within the sector and increase the total provision of affordable housing.



5 Designing a Local Housing Strategy for the Wyong Shire

The process to design a Local Housing Strategy for the Wyong Shire comprised a number of significant stages that approached the work from a strengths-based perspective. The belief was that for a strategy to not only be well designed but for it to be effective in its implementation it would need the participation of different sections of the community at all stages. Wyong Council, as well as researching Census data and other statistics, needed to consult with the wider community to document what the major housing issues are and what type of housing is in most demand. In identifying where opportunities lay for increasing the supply of housing choice, Council needed to talk with experts in the community who have the knowledge from working in the sector and/or live in areas in need of affordable housing. And in determining what approaches could work to deliver a greater housing choice, Council needed to work alongside key stakeholders who can offer their resources, skills and knowledge to participate in affordable housing initiatives.

The key steps in designing the Housing Strategy have involved:

- Stage 1 - Establishment of a reference group and advisory committee;
- Stage 2 - Preparation of a detailed housing market study;
- Stage 3 - Consultation with different stakeholders;
- Stage 4 - Development strategies appropriate for Council and stakeholders to implement;
- Stage 5 - Public exhibition of draft Local Housing Strategy;
- Stage 6 - Adoption of the Local Housing Strategy by Council; and
- Stage 7 - Implementation.

5.1 Establish a Reference Group and Advisory Committee

A Wyong Shire Affordable Housing Reference Group was established at the beginning of the project to advise on both the process of preparing an local housing strategy and the design of the strategy itself. The Group comprised representatives from 17 different stakeholder areas across the business sector (including developers), State government departments and non-governmental and community organisations. The following were the participants:

- A Wyong Councillor;
- Centre for Affordable Housing;
- Tenants Advisory and Advocacy Service;
- Coastal Community Tenancy Scheme;
- Pacific Link Community Housing Association;
- Coast Shelter;
- Elandra Women and Children's Service;
- Department of Housing;
- Darkinjung Local Aboriginal Land Council;
- Bungree Aboriginal Association;
- Department of Planning;
- Gosford City Council;
- Department of Community Services;
- Urban Development Institute;
- Central Coast Residential Parks Network;
- Affiliated Park Residents Association;
- Representative from the Supported Accommodation Assistance Program interagency;
- Buildev Pty Ltd; and
- Woodbury Park Estates/Terrace Towers.



Housing in the Wyong Shire



The responsibilities of each participant were the following:

- To attend Reference Group meetings and participate in decision making process;
- To provide relevant expertise and local knowledge in relation to housing issues;
- To assist in guiding and monitoring the process to design the Local Housing Strategy;
- To participate in focus groups and community consultation process;
- To identify appropriate housing choice strategies for the Wyong Shire;
- To provide a link between Wyong Council and member agencies;
- To inform member agency or community of the progress of the Local Housing Strategy; and
- To identify ways in which the member agency can contribute to the implementation of the Strategy.

In addition to this an internal Wyong Council Advisory Committee was established to provide input into the design, development and implementation of the Strategy. The Committee comprised representatives from the following sections of Council: Social Planning, Development Control, Policy Planning, Land Use Planning and Community Development.

Stages 2 (Undertake a detailed housing market study), 3 (Consultation with different stakeholders) and 4 (Develop strategies appropriate for Council and stakeholders to implement) are detailed in Chapters 6, 7, and 8.



6 Why a Local Housing Strategy for the Wyong Shire

The purpose of this stage is to undertake an analysis of existing statistics and research on the Central Coast housing market and compile the information into a useable and informative document. The analysis is to provide an understanding of recent trends and major characteristics of the local housing market and is particularly focused on comparing demographic trends with housing market demand and supply issues in the context of current housing stress, affordability and appropriateness levels.

The Central Coast Region is made up of two Local Government Areas, Wyong Shire and Gosford City, and covers an area of 1855 square kilometres. At June 2006 the Central Coast had an estimated resident population of 307,766 with 144,297 in Wyong Shire (827sq km) and 163,469 in Gosford City (1,028sq km). The average annual growth rate for the 10 years period 1996 to 2006 was 1.3%, Wyong 1.8 and Gosford 0.8 (ABS, 2007).

The primary role that the Central Coast housing market played during the post-war period was to attract families and retirees from Metropolitan Sydney. The importance of the area as a destination for families and retirees from areas further south is expected to continue. As a result of this there is significant pressure for residential expansion from both existing residents of the Central Coast and from people moving into the area.

The analysis in this section informs the design of the Strategy. With this in mind the study is at a Central Coast regional level but often gives more attention to the situation in the Wyong Shire. Local housing markets don't recognise local government boundaries and the Wyong and Gosford Local Government Areas function as one local housing market which is why the analysis has been carried out at a regional level.

Before designing a housing strategy Wyong Council needs to have a clear understanding of recent trends and the major characteristics of the local housing market. The analysis considers the following data:

- Demographic trends;
- The economic context;
- House prices;
- Dwelling type and tenure;
- Rents;
- Housing affordability; and
- Housing stress.

The information has been sourced from the 1996 and 2001 Australian Bureau of Statistics Census data, Department of Planning, Department of Employment and Workplace Relations, Department of Housing and the Centre for Affordable Housing.

This chapter is divided into the following sections:

- Summary;
- Demographic Trends;
- Economic Context;
- Housing Supply Issues; and
- Key Market Indicators.



6.1 Summary and Overview

The Central Coast is characterised by a steady growth in household numbers, a high proportion of people on low incomes or unemployed and a sizeable over 55s population. As the changing demographics of the Central Coast and especially the Wyong Shire have created more demand for housing choice, the level of housing affordability has steadily decreased. The current situation is that many households on very low, low and moderate incomes can only find accommodation that leaves them in significant levels of housing stress. With the extensive level of greenfield development in the Wyong Shire there has been no lack of supply of housing. The problem appears to be that the housing stock is not a good match for the current and future demographic profile of the Wyong Shire, particularly for the very low, low and moderate income section of the Shire population

According to the 2001 Census 59.2% of low and moderate household income renters in Wyong and 59.6% of low and moderate household income renters in Gosford were experiencing housing stress; and 43% of low and moderate household income purchasers in Wyong and 47% in Gosford were experiencing housing stress. With a 69% increase in the Wyong Shire median house price from 2001 to 2005 this situation is only getting worse.

Of note is not only the affordability of the housing but also its appropriateness. With a high number of the population aged over 55 along with increasing trends to smaller and lone person households it can be assumed there will be an increase in demand for 1 and 2 bedroom dwellings and a need for greater provision of housing that can accommodate people at different stages of life

The fact that only 20% of the Shire population is able to afford a median priced house and not be in housing stress is an indication of a need for intervention. Having a significant number of the population in housing stress has implications beyond the people with the high housing costs. It will have negative impacts on the local economy, community life and the healthy functioning of all families.

- According to the Department of Housing Rent and Sale Report in 2005 the median sales price for a house in Wyong Shire was \$310,000. Assuming a 5% deposit, 30 year loan and 7% interest rate, this would require a household income of \$80,000 for the repayments to be affordable. With the income levels of the Shire, only 20% of the population would be able to afford this median priced house;
- Between 1996 and 2001, the proportion of properties that were affordable for purchase to people earning \$25,636 had declined by 4.2% in Gosford and 7.8% in Wyong. This compares to a decline of 2.7% for the Sydney Statistical Division and 0.8% across New South Wales;
- In 2001, 59.2% of low and moderate household income renters in Wyong and 59.6% of low and moderate household income renters in Gosford were experiencing housing stress. In 2001, 43% of low and moderate income purchasers in Wyong and 47% in Gosford were experiencing housing stress;
- Wyong Shire had a 69% increase in the median house price from 2001 to 2005;
- A study carried out in September 2006 by the Central Coast Research Foundation of residents in the Region found that 72.6% of the sample somewhat agreed or strongly agreed that housing affordability was a major issue for the Central Coast;
- The same study found that almost three quarters (74.8%) of respondents stated they would support more affordable homes being available in the local area if such housing was built to blend in with existing buildings and were pleasant to look at;



- The Central Coast has had a steady strong increase in the number of households and Wyong in particular has grown by 33% compared to a State growth of 20% in the ten year period from 1991 to 2001. In addition to population growth, a significant factor is the change in household formation with more single parent families and lone person households. As a result these changes have meant both an increase in the demand for housing along side a shift in the type of housing demanded;
- In 2001 25% of the total households on the Central Coast were comprised of lone adults yet only 7% of private rental stock was single bedroom. From 1991 to 2001 the largest change in family type was single parent families: an increase of 66% compared to the State increase of 33%;
- According to Department of Housing projections, by 2011 the number of low income pensioner and frail aged households in housing stress will increase by 39% to 3,043 within the Central Coast Housing Market. The number of young people under 20 in housing stress will increase by 36% to 640 and the number of disability support pension recipients in housing stress will increase by 34% to 3,041;
- On the Central Coast, in 2001, 25% (in Wyong 27.8%) of households earned less than \$400 per week or \$20,748 per annum compared to 16.8% for the Sydney SD and 20.8% for NSW.

6.2 Demographic Trends



Summary of Key Demographic Trends:

- From 1991-2001 Wyong Shire had a 33.8% growth in household numbers compared to 26.4% in Gosford and a State average of 20.4%.
- 25% of the total households on the Central Coast were comprised of lone adults.
- 51% of people living alone in Wyong Shire were 65 years of age or above and 70% were females.
- It is estimated that by 2031 lone person households will make up 27.6% of all households and will be more numerous than couples with children (24.6%).
- In 2001 the proportion of families that were one-parent families on the Central Coast was 17.3% and increase of 66% over the previous 10 years. This is above the average for the Sydney SD 15% and for NSW 15.3%. Between 1991 and 2001 the largest proportional change in family types on the Central Coast was one-parent families, significantly increasing by 66%.
- Both Gosford (26.9%) and Wyong (27.2%) have a higher percentage of people aged 55 years and over to that of New South Wales (22.5%).
- The low levels of people aged 15-29 years on the Central Coast (5.7% compared to 7.3% in Sydney) reflects the trend of young people leaving the region to look for career and education opportunities.



The changes in Central Coast demographics according to 2001 Census data are highlighted below. As the population grows in different areas and directions so too does the demand for specific types of housing. The settlement pattern of the Coast has been influenced by the natural topography of the area. This has resulted in a large proportion of the population living in a few centres and many smaller population pockets spread throughout the region, some located considerable distance from services and facilities. In Wyong Shire, the suburbs of Bateau Bay (11,153), Berkeley Vale (9,402), Killarney Vale (7,144) and Gorokan (7,209) have the largest concentration of population. In absolute terms the suburbs with the largest increase in population between 1996 and 2001 were Blue Haven (2,515), Hamlyn Terrace (1,746) and Mardi (1,490).

The 2005 Sydney Metropolitan Strategy identified that the Central Coast has the land resources to support a further 100,000 people by 2031. However in light of the drought conditions the Draft Central Coast Regional Strategy revised the figure to 64,250, pending resolution of water supply issues.

Household Formation:

Wyong Shire has had considerable growth in the number of households over the period 1991-2001, as shown in Table 1. Over the ten year period there was a 33.8% increase compared to 26.4% in Gosford and a State average of 20.4%.

Table 1: Household Trends 1991 to 2001 (Occupied Private Dwellings)

	Households 1991		Households 1996		Households 2001		% Change Households 1991-2001
	Households	Persons	Households	Persons	Households	Persons	
Wyong LGA	37,978	98,717	44,783	112,357	50,824	128,576	33.8%
Gosford LGA	47,375	125,774	54,886	141,300	59,868	150,893	26.4%
Central Coast	85,353	224,491	99,669	253,657	110,692	279,469	29.7%
Sydney SD	1,188,802	3,433,183	1,328,376	3,612,163	1,438,394	3,858,050	21.0%
NSW	1,946,585	5,539,328	2,174,917	5,815,847	2,343,677	6,139,597	20.4%

Source: ABS Census 1991, 1996 and 2001
Central Coast Regional Profile and Social Atlas, 2004

On the Central Coast households are following a trend of decreasing size. In 2001, the Region had an average occupancy rate of 2.52 persons per household, which is lower than average occupancy rates in Sydney SD (2.68) and NSW (2.62). Between 1991 and 2001, there has been a decrease in the number of persons per dwelling from 2.63 to 2.52.

Both the high level of household growth and the reduced occupancy rate are consequences of changes in the age structure of the population and household and family composition through fewer group households, declining marriage rates, an increase in the number of divorces and an increase in the number of single older people and single parent families. This has created increased demand across the board for housing and also created demand for more variety in housing to reflect the changing needs of the population.

There have been significant changes in household type in the region. In 2001, 27,323 households, 25.2% of the total households on the Central Coast were comprised of lone adults. This is a higher proportion than in Sydney SD (22%) and in NSW (23%). Between 1996 and 2001 the proportion of lone person households on the Central Coast increased by nearly 15%, compared to a 7% increase in Sydney SD and 9.7% NSW.



In Wyong, 12,575 persons were living alone. 51% of these people were 65 years of age or above and 70% of people living alone were females. In light of this increase in lone person households it is important to note that only 7% of private rental stock is single bedroom.

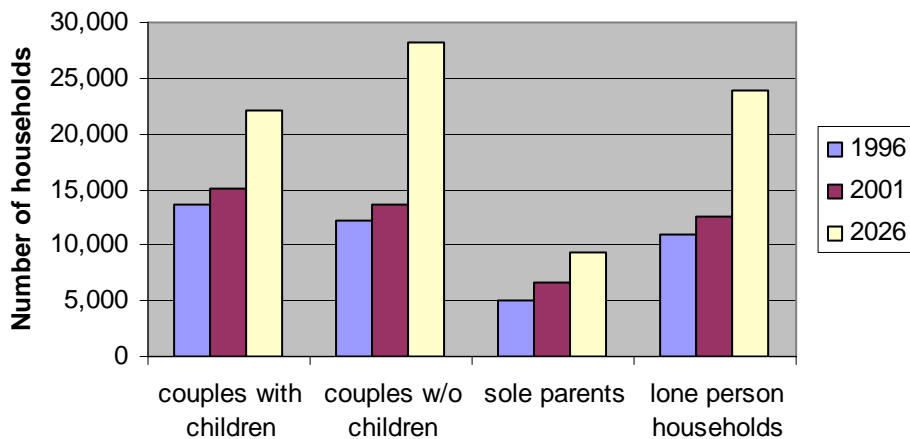
**Table 2: Household Type and Family Type
(Number of Households in Occupied Private Dwellings)**

	Wyong		Gosford		Central Coast		Sydney SD	NSW
	Number	%	Number	%	Number	%	%	%
One Family Households:								
Couple Family with Children	15,121	30.3%	18,625	31.9%	33,746	31.2%	37.2%	35.0%
Couple Family Without Children	13,712	27.5%	16,040	27.4%	29,752	27.5%	23.9%	25.5%
One Parent Family	6,643	13.3%	6,863	11.7%	13,506	12.5%	11.1%	11.3%
Other Family	443	0.9%	519	0.9%	962	1.2%	1.5%	1.3%
<i>Sub Total One Family Households</i>	<i>35,919</i>	<i>72.1%</i>	<i>42,047</i>	<i>71.9%</i>	<i>77,966</i>	<i>72.0%</i>	<i>73.7%</i>	<i>73.1%</i>
Lone Person Households	12,575	25.2%	14,748	25.2%	27,323	25.2%	22.0%	23.1%
Group Households	1,337	2.7%	1,663	2.8%	3,003	2.8%	4.3%	3.8%
Total	49,831	100.0%	58,458	100.0%	108,292	100.0%	100.0%	100.0%

Source: ABS Census 2001
Central Coast Regional Profile and Social Atlas, 2004

The graph below demonstrates the recent trends in changing household type in Wyong Shire and includes projections through to 2026. The projections estimate that by 2026 lone person households will make up 27.2% of all households and will be more numerous than couples with children (25.2%).

Wyong Shire Household Type 1996, 2001 and 2026



Source: ABS Census 1996 & 2001, id Consulting projections, 2006



In 2001 the proportion of families that are one-parent families on the Central Coast was 17.3%. This is above the average for the Sydney SD 15% and for NSW 15.3%. Between 1991 and 2001 the largest proportional change in family types on the Central Coast was one-parent families, significantly increasing by 66%. This compared with a 30% increase in Sydney SD and a 33% increase in NSW. The number of people living in a one-parent family has increased by 13,270 (or 63%) since 1991. The proportion of one-parent families increased by 55.8% in Gosford and 79% in Wyong.

One-parent families account for 18.5% of family types in Wyong Shire, a percentage point increase of 5.1% since 1991. One parent families now account for 16.3% of family types in Gosford City compared to 12.5% in 1991.

Between 1991 and 2001 (Table 3) there has been a significant increase in the number of people in the region experiencing separation (an increase of 57%), divorce (77%) and being widowed (26%). These trends are significantly higher in comparison to the Sydney SD (a 32% increase in separation and a 43% increase in divorce) and NSW (a 34% increase in separation and a 51% increase in divorce).

These statistics demonstrate the change in the make up of the population on the Central Coast and highlight the need for the housing provision to reflect this change. It is safe to assume that many of the one parent families and lone person households are unlikely to be looking for nor able to afford 4 bedroom housing.

Table 3: Absolute and Percentage Point Change in Marital Status, 1991 to 2001

	Wyong LGA	Gosford LGA	Central Coast	Sydney SD	NSW					
1991 to 2001:										
Married	14.0%	-7.4%	8.0%	-6.8%	10.6%	-7.3%	7.3%	-3.3%	4.5%	-4.2%
Separated	63.3%	0.8%	52.1%	0.7%	57.4%	0.9%	32.5%	0.5%	33.8%	0.5%
Divorced	78.2%	2.5%	76.0%	2.6%	77.0%	2.6%	43.9%	1.4%	51%	1.8%
Widowed	25.9%	-0.3%	26.3%	0.3%	26.1%	0.1%	5.0%	-0.6%	9.0%	-0.3%
Never Married	59.5%	4.6%	38.2%	3.2%	46.8%	3.8%	21.8%	2.1%	21.2%	2.1%

Source: ABS Census 2001, Time Series Profile, Table T03
Central Coast Regional Profile and Social Atlas, 2004

Age Structure:

The current age profile of the Central Coast reflects the region's popularity with older people and families with young children.

The high percentage of middle household families (25-44) with young children, shown in Table 4 below, creates significant demand for larger housing. Often this group is in the process of purchasing homes and have the largest average household size.

The low levels of people aged 15-29 years on the Central Coast (5.7% compared to 7.3% in Sydney) reflects the trend of young people leaving the region to look for career and education opportunities.

Both Gosford (26.9%) and Wyong (27.2%) have a higher percentage of people aged 55 years and over to that of New South Wales (22.5%). Between 1991 and 2001 there has been an increase of 16,981 people aged 55 years and over across the Central Coast. This population group has continued to represent around 27% of the population on the Central Coast over the last decade. This group is usually in households of one or two persons and creates a demand for smaller one to two bedroom housing.



Also this section of the community is often on fixed incomes so as affordability decreases there are few options to offset the real decrease in income. Furthermore this group is over represented in the low income bracket: 56.3% of individuals earning less than \$400 per week are aged 55 or over.

The graphs overpage illustrate very clearly the aging trend in the population on the Central Coast over the past decade, as well as the continuing trend for those aged 15 to 29 to leave the Central Coast.

Table 4: Age Profile of Central Coast, Sydney and NSW, 1991 to 2001

	Central Coast						Sydney Statistical Division	NSW
	1991	1991 %	1996	1996 %	2001	2001 %	2001 %	2001 %
0-4 years	18,525	8.1%	19,936	7.7%	19,491	6.8%	6.7%	6.7%
5-9 years	17,555	7.7%	20,268	7.8%	21,714	7.6%	6.8%	7.1%
10-14 years	16,137	7.0%	19,034	7.3%	21,260	7.5%	6.7%	7.1%
15-19 years	15,396	6.7%	15,914	6.1%	18,608	6.5%	6.9%	6.9%
20-24 years	12,769	5.6%	14,404	5.5%	14,145	5.0%	7.0%	6.5%
25-29 years	15,622	6.8%	15,529	6.0%	15,853	5.6%	7.9%	7.1%
30-34 years	18,208	8.0%	18,768	7.2%	18,334	6.4%	8.0%	7.4%
35-39 years	16,964	7.4%	20,084	7.7%	20,515	7.2%	8.0%	7.7%
40-44 years	15,997	7.0%	18,264	7.0%	21,266	7.5%	7.7%	7.6%
45-49 years	12,169	5.3%	16,659	6.4%	19,008	6.7%	6.9%	6.9%
50-54 years	9,674	4.2%	13,229	5.1%	17,423	6.1%	6.5%	6.5%
55-59 years	9,384	4.1%	11,102	4.3%	14,467	5.1%	4.9%	5.2%
60-64 years	11,772	5.1%	11,340	4.4%	12,603	4.4%	3.9%	4.2%
65-69 years	12,891	5.6%	13,223	5.1%	12,433	4.4%	3.2%	3.6%
70-74 years	11,115	4.9%	12,760	4.9%	13,070	4.6%	3.0%	3.4%
75-79 years	8,058	3.5%	9,799	3.8%	11,359	4.0%	2.6%	2.8%
80-84 years	4,337	1.9%	6,109	2.3%	7,688	2.7%	1.7%	1.8%
85-89 years	1,774	0.8%	2,713	1.0%	3,761	1.3%	0.9%	1.0%
90 & Over	652	0.3%	1,030	0.4%	1,583	0.6%	0.5%	0.5%
Total	228,979		260,165	100.0%	284,581	100.0%	100.0%	100.0%

Source: ABS Census 2001, Time Series Profile, Table T02
 Central Coast Regional Profile and Social Atlas, 2004

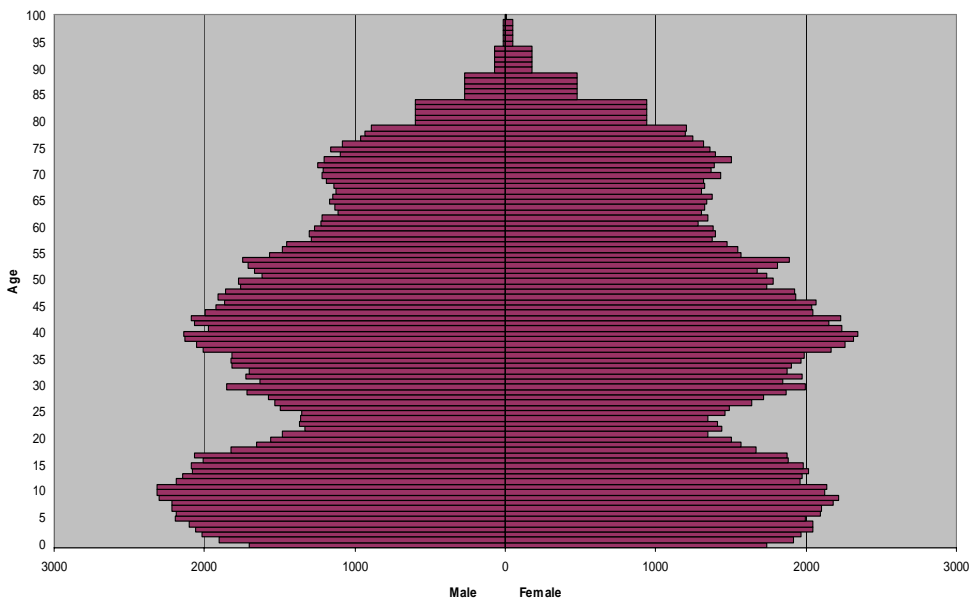


Comparative Age Profile - Central Coast, Sydney SD and NSW, 2001

The population pyramid below for 2001 demonstrates the high number of middle household families (25-44) with young children. It also identifies the high number of over 55s and the pyramid projection below for 2021 predicts a steady increase in this section of the population. This will have implications for the housing sector with more long term planning needed for appropriate housing for a significant and increasing older population.

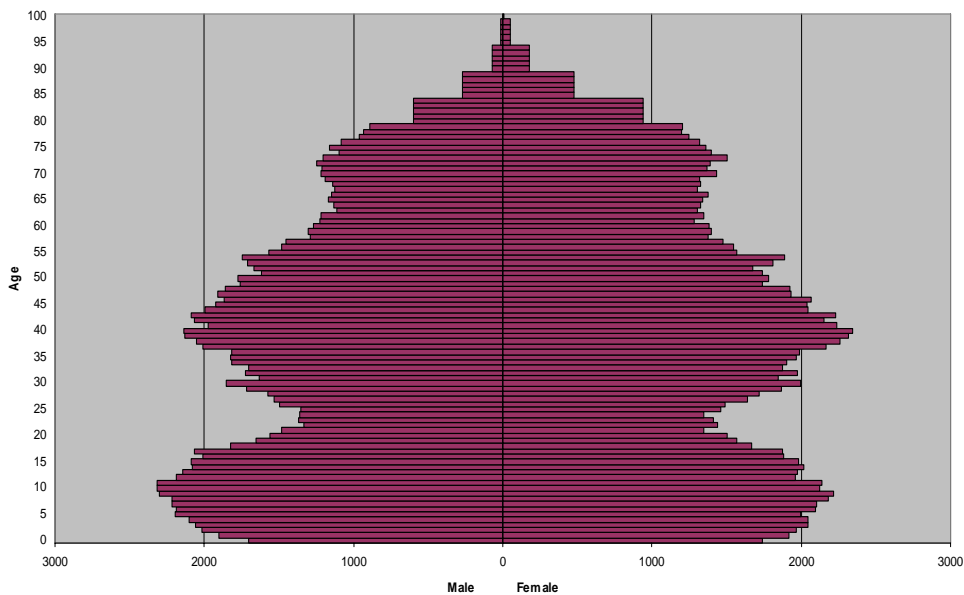
According to Department of Housing projections, by 2011 the number of low income pensioner and frail aged households in housing stress will increase by 39% to 3,043 within the Central Coast Housing Market.

Age Distribution - Central Coast, 2001



Source: Central Coast Regional Profile and Social Atlas, 2004

Projected Age Distribution - Central Coast, 2021



Source: Central Coast Regional Profile and Social Atlas, 2004



Indigenous Population:

Indigenous people are more likely to be disadvantaged with respect to housing compared to the non-Indigenous population. For example, the home ownership rates among Indigenous households in NSW are less than half those of the non-Indigenous population (34% compared with almost 70%). The percentage of indigenous population across the State is 1.9%. Wyong has 2.0% Indigenous population and Gosford has 1.4% (a Central Coast average of 1.6%). The demographic characteristics of this population group are that there are large number of children and young people, and a small number of older people. In Wyong Shire the mean household size for Indigenous families is 3.3 compared to 2.7 for non-Indigenous families. The median age for the Indigenous population is 18 compared to 37 for the non-Indigenous population. Some of the difficulties that Indigenous people can face in regard to housing are: discrimination in the private rental market; difficulties in finding appropriate dwellings for large extended families; and high levels of poverty generating acute affordability problems. Any strategy needs to take these issues into consideration if committed to reducing the level of disadvantage in the Indigenous communities in regard to housing.

Culturally and Linguistically Diverse People:

Ethnicity has a strong influence on the mix and location of housing need and demand. Different ethnic groups have different age structures, household formation rates, fertility rates and varying tenure, housing type and location preferences. In 2001, the Central Coast had a substantially lower proportion of people born in non-English speaking countries (4.5%) compared to NSW where 16.1% of the population is in this population group.

People with Disabilities:

In June 2000, there were 5,427 people in Wyong Shire and 4,683 people in Gosford City receiving a Disability Support Pension. This group makes up 3.4% of the population on the Central Coast. According to Department of Housing projections the number of disability support pension recipients in housing stress will increase by 34% to 3,041 by 2011. People with either an intellectual or physical disability require appropriate housing that allows them to enjoy a high quality of life and be fully integrated into the community. Again any strategy needs to take these issues into consideration if committed to reducing the level of disadvantage in this section of the community in regard to housing

Homelessness:

An accurate study of the level of homelessness on the Central Coast has yet to be undertaken. People are considered to be homeless when they do not have accommodation that is safe, secure, appropriate and affordable. Homelessness can mean literally not having a place to live, but it can also mean living in a place which is harmful to a person's health or safety, or does not provide the physical, social and economic support that is associated with a home. People who are in temporary accommodation such as staying with friends or relatives, living in a homeless hostel, detoxification facilities, boarding houses, backpacker hostels and private hotels are considered homeless. Homelessness can be visible when people sleep in the streets or in hostels for the homeless but it can also be hidden when people live temporarily with family or friends or in substandard and/or unsafe accommodation.



There are 11 different organisations with 18 different projects funded on the Central Coast by the Supported Accommodation Assistance Program (SAAP), listed in the table below. SAAP aims to assist people who are homeless or at risk of becoming homeless to achieve the maximum possible degree of self-reliance and independence by providing transitional supported accommodation and a range of related support services. In the SAAP Annual Report for 2004-2005 they identified the most common reasons that clients gave for seeking assistance: domestic violence (21%); financial difficulty (12%); usual accommodation unavailable (11%); eviction or the ending of previous accommodation (10%); and relationship or family breakdown (9%). Reasons varied considerably according to the composition of the assisted client group: for example, unaccompanied males aged 25 years and over most commonly cited financial difficulty (17%), drug, alcohol or substance abuse (14%) or that their usual accommodation was unavailable (14%) as their main reason for seeking assistance. For females with children and unaccompanied females aged 25 years and over, the most common main reason was domestic violence (49% and 40% respectively).

In August 2006 Coast Shelter reported that on average 400 children on the Central Coast are without a home each night. This figure was estimated from the level of demand they have for their services. From July 2004 to June 2005 Coastal Shelter provided accommodation to 500 men, women and children. An additional 2,277 people were turned away in this period due to lack of beds and other reasons. Coast Shelter provides about half of the homeless accommodation in the region.

Service	Project	Age & Sex of Client Group
Katakudu Women's Housing Inc	Katakudu Women's Housing	Women and accompanying children (not male 18 & over)
Samaritans Foundation (Hunter/Central Coast)	Samaritans Youth Crisis Service	Young people 12-18
Samaritans Foundation (Hunter/Central Coast)	Samaritans Youth Services - Wyong Outreach Team	Young people 12-24
Kamira Farm	Kamira Farm	
The Uniting Church in Aust Property Trust (NSW) - Wesley Dalmar Child & Family Care (Central Coast)	Wesley Dalmar Central Coast Independent Living Program	Young people 16-22 and families
Toukley Women's Refuge Inc	Elandra Women & Children's Refuge	Women, with or without accompanying children
Bungree Aboriginal Association Inc	Aboriginal Youth & Family Supported Accommodation Assistance Project	Aboriginal & Torres Strait Islanders' Young people 12-25 Women and/or men with/without children
Bungree Aboriginal Association Inc	Aboriginal Adolescent & Family Counsellor	
NSW Women's Refuges Referral & Resource Centre Inc	Woy Woy Women and Children Services	Women and accompanying children
St Vincent de Paul Society - Erina	Vincentian Lodge	
Woy Woy Youth Cottage Committee	Woy Woy Youth Cottage	Young people 12-17
Youth Angle Inc	Youth Angle	Young people 15-20
Coast Shelter Ltd	Rumbalara Youth Refuge	Young people 14-18



Service	Project	Age & Sex of Client Group
Coast Shelter Ltd	Kara Cottage and Coimba Men's Refuge	Families and accompanying children Homeless men and accompanying children
Coast Shelter Ltd	Maya Cottage	Young women 14-18
Coast Shelter Ltd	CAP/SAAP Innovation Initiatives 1998/99	Families
Coast Shelter Ltd	Wyong Youth Outreach Program	Youth and families
Coast Shelter Ltd	Intoxicated Persons Project	Intoxicated and/or drug affected people

Projected Population and Key Drivers of Change in Wyong Shire:

The Wyong Shire population is projected to grow to 220,141 by 2031 with an average growth rate of 1.54%, shown in Table 5 below. The most significant increases in population are expected in Warnervale-Wadalba, The Entrance and Wyong based on substantial residential expansion. Other areas such as Rural West and Gorokan are expected to increase only marginally in population as a result of relatively low numbers of additional dwellings expected over the forecast period. The number of households is projected to grow 93,198 by 2031 with an average household size of 2.32.

In terms of key drivers of population growth, the appeal of the area is a reflection of the natural attractiveness of the area and the significant amount of residential housing opportunities close to the coast. Local demand is relatively strong as the Shire is creating significant numbers of new households (children leaving home) seeking new dwellings.

With the variety of residential and rural locations, different areas within Wyong Shire have developed different roles within the housing market. Areas on southern shore of Tuggerah Lake, central Wyong and to a lesser extent, Bateau Bay and Shelly Beach are attractive to young families and some retirees. Areas along the coast and lakes such as The Entrance, Budgewoi, Toukley, San Remo and Gorokan attract large numbers of retirees. New growth areas such as Hamlyn Terrace, Wadalba, Woongarra and Warnervale are expected to attract predominantly a young and mature family housing market, similar to that of Blue Haven in recent years. The variety of function and role of the small areas in Wyong Shire means that population outcomes differ significantly across the local government area.

There are also significant differences in the supply of residential property within the LGA which will also have a major influence in structuring different population and household futures within the Shire over the next five to ten years. Significant new 'greenfield' opportunities have been identified in Woongarra, Hamlyn Terrace, Wadalba and Warnervale while The Entrance, Wyong and Toukley are expected to have growth in dwellings in their town centres. This will generally take the form of apartment development.

Table 5: Population Projections

	2006	2011	2031	Average Annual Change %
Wyong Shire Population	150,388	166,090	220,141	1.63
Wyong Shire Households	60,608	68,116	93,198	1.86
Average Household Size	2.44	2.40	2.32	

Source: id Consulting, 2006



6.4 Economic Context



Summary of Key Economic Trends:

- On the Central Coast in 2001 35.8% of employed persons were employed part-time compared to 29.3% for the Sydney SD and 31.2% for NSW.
- At the 2001 Census the unemployment rate for the Central Coast was 8.5%, 10.0% for Wyong Shire and 7.4% for Gosford City. These rates were above those for the Sydney SD 6.1% and NSW 7.2%.
- The region is overrepresented by persons employed in trades and related occupations (14.5%), intermediate production and transport workers (8.2%), labourers and related occupations (8.7%) and elementary clerical sales and services (11.0%).
- According to the 2001 Census, the retail industry, employing 18,991 people and accounting for 17.2% of employed persons, is the largest employment sector within the Region, followed by health and community services (12,301 people and 11.2%), manufacturing (12,277 people and 11.1%) and construction (10,804 and 9.8%).
- In 2001, 52.4% of individuals on the Central Coast earned less than \$400 per week. This compares to 42.3% for the Sydney SD and 47% for NSW.
- In Wyong Shire 27.8% of households earned less than \$20,748 and a further 26.7% earned between \$20,800 and \$41,548 per year.

A local housing market will be affected by, and also at the same time affect, the health of the local economy. Aspects of the economy that will play a key role in the housing market are levels of employment (with importance given to full compared to part time levels), unemployment rate trends, occupation types, industry and income levels. Economic declines and upswings do not affect all sectors of the economy nor all areas of the population. Consequently the profile of the local economy will be a significant determining factor in the level and type of housing demand

As shown in the data below, Wyong Shire's low levels of weekly income, high level of unemployment and high concentration of employment in the retail industry compared to the State averages points towards a significant number of the Shire population living in a disadvantaged situation. Housing provision can either exacerbate the level of disadvantage by providing inappropriate unaffordable housing or ameliorate the situation by providing housing that responds to the needs of the different sections of the Shire.

Employment:

The Central Coast has a high ratio of part-time to full-time employment. In 2001, 35.8% of employed persons were employed part-time compared to 29.3% for the Sydney SD and 31.2% for NSW, as shown in Table 6 below. This has significant implications for the ability of some households to access home loans. The high levels of unemployment, especially in Wyong, also have implications for people to find affordable secure housing. At the 2001 Census the unemployment rate for the Central Coast was 8.5%, 10.0% for Wyong Shire and 7.4% for Gosford City. These rates were above those for the Sydney SD 6.1% and NSW 7.2%



Table 6: Labour Force Status, 2001

	Full Time (% of Total Employed)	Part Time (% of Total Employed)
Wyong LGA	28,848 61.1%	16,889 35.8%
Gosford LGA	38,840 61.3%	22,664 35.8%
Central Coast	61.2%	35.8%
Sydney SD	67.6%	29.3%
NSW	65.7%	31.2%

Source: ABS Census 2001
Central Coast Regional Profile and Social Atlas, 2004

Table 7: Male and Female Unemployment Rate, 2001

	Male Unemployment Rate	Female Unemployment Rate	Unemployment Rate
Wyong LGA	10.9%	8.9%	10.0%
Gosford LGA	8.0%	6.7%	7.4%
Central Coast	9.3%	7.6%	8.5%
Sydney SD	6.6%	5.9%	6.1%
NSW	7.8%	6.4%	7.2%

Source: ABS Census 2001
Central Coast Regional Profile and Social Atlas, 2004

The unemployment rate for the Wyong Shire continues to be 3% to 4% worse than Sydney, State and National averages with ongoing lower than average participation rates, particularly for females.

Table 8 below and the accompanying graph show comparative trends in unemployment rates for the period 1991 to 2003

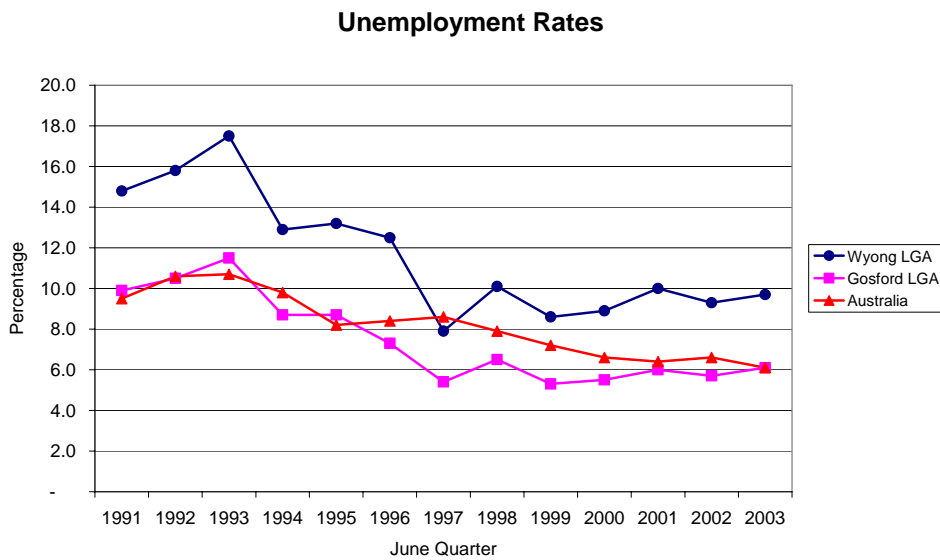


Table 8: Unemployment Rate Trends, June 1991 to June 2003

	Wyong LGA	Gosford LGA	Central Coast	Sydney	NSW	Australia
June 1991	14.8%	9.9%	11.9%			9.5%
June 1992	15.8%	10.5%				10.6%
June 1993	17.5%	11.5%	14.0%			10.7%
June 1994	12.9%	8.7%	10.4%			9.8%
June 1995	13.2%	8.7%	10.6%			8.2%
June 1996	12.5%	7.3%	9.3%			8.4%
June 1997	7.9%	5.4%	6.4%	6.5%	7.8%	8.6%
June 1998	10.1%	6.5%		6.1%	7.2%	7.9%
June 1999	8.6%	5.3%		5.2%	6.5%	7.2%
June 2000	8.9%	5.5%		4.8%	5.8%	6.6%
June 2001	10.0%	6.0%		4.9%	5.6%	6.4%
June 2002	9.3%	5.7%		5.2%	6.1%	6.6%
June 2003	9.7%	6.1%		5.2%	5.9%	6.1%

Source: Department of Employment and Workplace Relations, Small Area Labour Markets Quarterly Reports Central Coast Regional Profile and Social Atlas, 2004

Unemployment Rates



Central Coast Regional Profile and Social Atlas, 2004



A study carried out by Diana Gibbs and Partners (1998) provide the following explanations for the differences in labour force participation rates and unemployment rates between Wyong and Gosford LGAs:

- Differences in age structure;
- A difference in the skills of the population - more of Wyong's population is employed in occupations whose members suffer a higher unemployment rate throughout Australia. These occupations require very little in the way of formal training and barriers to entry are low; and
- Differences in access to jobs – commuting from Wyong to Sydney is a greater time and cost challenge than from Gosford.

Occupation:

The region is overrepresented by persons employed in trades and related occupations (14.5%), intermediate production and transport workers (8.2%), labourers and related occupations (8.7%) and elementary clerical sales and services (11.0%). Wyong Shire is characterised by an overrepresentation in the trades and unskilled occupations and an under representation in professional and managerial roles - 17.9% compared with 25.0% for Gosford, 30% for Sydney and 28.5% for NSW. The majority of Wyong Shire's labour force (43.5%) is occupied as tradespersons, labourers and related workers, clerical and sales workers. This profile is similar to the areas in Western Sydney. 38.5% of employed persons living in Gosford City are employed in these occupations.

In 2001, 22.0% of employed persons living on the Central Coast were classified as managers, administrators or professionals. This is substantially lower than the figure for the Sydney SD, where 30.1% were employed in these occupations, and in NSW, 28.5%.

Wyong Shire has a substantially lower proportion of employed persons in these occupations, 17.9% compared with 25.0% for Gosford City.

Industry:

According to the 2001 Census, the retail industry, employing 18,991 people and accounting for 17.2% of employed persons, is the largest employment sector within the Region, followed by health and community services (12,301 people and 11.2%), manufacturing (12,277 people and 11.1%) and construction (10,804 and 9.8%).

Between 1991 and 2001 Wyong Shire experienced a significant increase in the number of residents employed in retail trade (3,385 people or 63.4 percentage change), manufacturing (3,140 or 81.3%), health and community services (2,258 or 90.0%) and property and business (2,185 or 107%). These industry sectors have also experienced positive proportional change during this period. Declines have been experienced in the utilities, government administration and defence and mining sectors

Income:

In 2001, 52.4% of individuals on the Central Coast earned less than \$400 per week. This compares to 42.3% for the Sydney SD and 47% for NSW.



In Wyong, there were 56,165 persons who earned less than \$400 per week. Low income earners constituted 55.7% of the total persons aged 15 and over. 56.3% of those earning less than \$400 per week were aged 55 and over, while 18.1% were aged between 15 and 24. In Gosford, there were 60,255 persons who earned less than \$400 per week. Low income earners constituted 49.7% of the total population aged 15 and over. 45.9% of those earning less than \$400 per week were aged 55 and over, while a further 19.6% were between the ages of 15 and 24.

Annual weekly household income distribution in the Region peaks at the \$10,400 to \$20,748 per annum bracket (20.5% of households) and the \$52,000 to \$77,948 per annum bracket (15.3%) of households. 25 % of households earn less than \$400 per week or \$20,748 per annum compared to 16.8% for the Sydney SD and 20.8% for NSW.

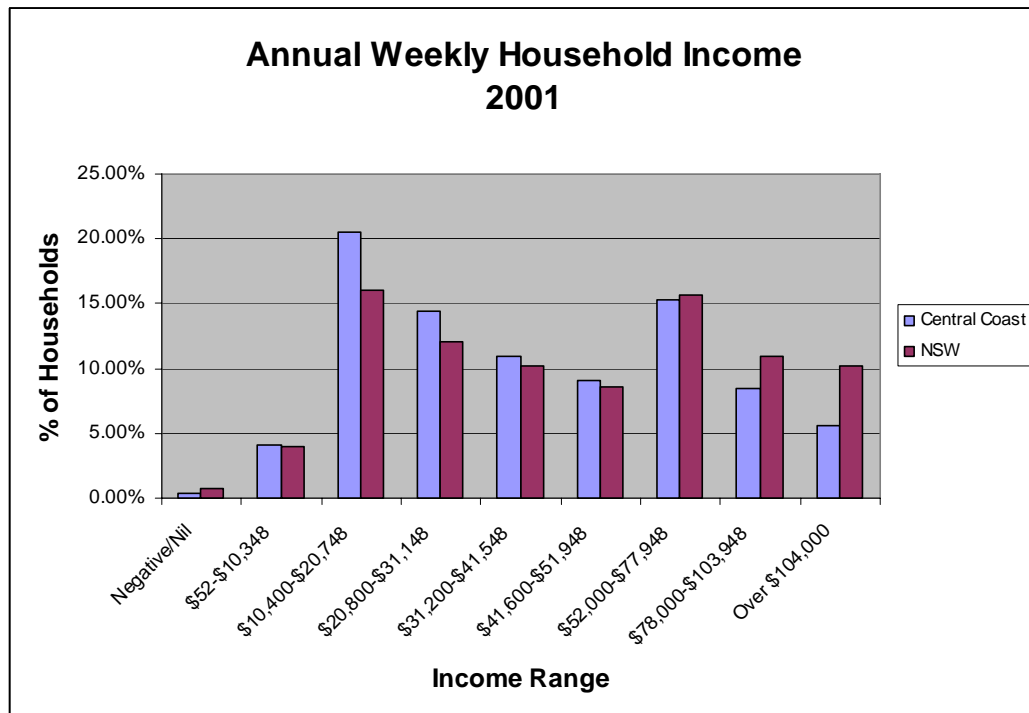
The graph below shows that in Wyong Shire 27.8% of households earned less than \$20,748 and a further 26.7% earned between \$20,800 and \$41,548 per year.

Median weekly household income levels on the Coast are below averages for Sydney SD and NSW and this is more marked for Wyong Shire. The median household income bracket was \$31,200 - \$41,548.

This situation of a high incidence of low income earners can have a serious impact on the overall strength of the housing market. If the market is unresponsive in supplying low cost affordable housing, the weak purchasing power of low income earners can lead to spatial concentrations of disadvantage and ghettoised poverty.

There is a general consensus around the importance of social mix in communities. Socio-economic diversity in communities can help to address some of the entrenched problems associated with ghettoised poverty, such as employment opportunities, level of crime, area reputation and educational achievement.

Annual Weekly Household Income, 2001



Central Coast Regional Profile and Social Atlas, 2004



6.5 Housing Supply Issues



Summary of Key Housing Supply trends:

- In 2001, the Central Coast had a higher percentage of separate houses (79%) than NSW (64.1%), a marginally higher percentage of town houses/terrace houses (10.2%) than NSW (9.3%), and significantly lower percentage of flats/units (6.9%) compared to NSW (18.3%).
- Between 1991 and 2001, the overall proportion of separate houses on the Central Coast has decreased although the number of houses being built has continued to increase during that period. This has coincided with a steady increase in the number and proportion of town house/terrace house dwellings being constructed on the Coast over the past decade.
- Between 1991 and 2001, there was a decline of around 3% in the proportion of fully owned homes on the Central Coast, however, the overall proportion of fully owned homes in the region remains higher than the proportion across NSW.
- Between 1991 and 2001, there has been an increase of nearly 7% in homes on the Central Coast that are being rented on the private market. Overall, rental properties on the Central Coast in 2001 still represented a lower proportion of all homes compared with New South Wales.
- The increase in private rental housing in the region reflects both an increase in investors entering the Central Coast housing market and an increasing number of people continuing in rental accommodation as house prices in the region become less affordable.

Housing supply trends and patterns can reveal a lot about the health of a housing market as well as indicating what type of demand signals are being responded to. Housing supply will not necessarily respond to all areas of housing demand in equal form. For example it is common to see a glut in one type of housing and a scarcity in another. Population projections and concentrations and high financial returns with certain housing types are some of the reasons why housing supply can produce a skewed market. In this section trends in dwelling type, dwelling tenure and lot production are the indicators used to examine housing supply.

Dwelling Type:

In 2001, the Central Coast had a higher percentage of separate houses (79%) than NSW (64.1%), a marginally higher percentage of town houses/terrace houses (10.2%) than NSW (9.3%), and significantly lower percentage of flats/units (6.9%) compared to NSW (18.3%).

Gosford LGA accounted for a larger proportion of town house and flat/unit development in 2001 than Wyong LGA while Wyong had a higher proportion of separate houses. This reflects the availability of new greenfield land in Wyong compared to Gosford where new releases of land are almost finished and redevelopment of existing dwellings is increasing.

Between 1991 and 2001, the overall proportion of separate houses on the Central Coast has decreased although the number of houses being built has continued to increase during that period. This has coincided with a steady increase in the number and proportion of town house/terrace house dwellings being constructed on the Coast over the past decade.



In 2001, there were 2,752 caravans/cabins/houseboats representing 2.2% of dwellings on the Central Coast compared to the State average of 1%. Wyong Shire has the highest number of manufactured home parks per capita in the State and 6% of the Shire's over 55 population is accommodated in this style of dwelling. These statistics indicate a high demand for low cost retirement housing that is not being provided in the mainstream housing market.

In Wyong, the availability of significant new greenfield sites has meant that the development of new suburbs consisting largely of separate houses that cater for the mid to high end of the market has characterised housing growth over the last 10 years. The 2006 Draft Central Coast Regional Strategy identified the need for greater residential densities to accommodate the population growth to 2031. Such a level of population growth will be located in higher-order centres such as Tuggerah-Wyong area and Warnervale area.

A study carried out in September 2006 by the Central Coast Research Foundation found that almost three quarters (74.8%) of respondents in the Region stated they would support more affordable homes being available in the local area if they were built to blend in with existing buildings and were pleasant to look at.

Redevelopment is also occurring, for example, at Long Jetty and The Entrance. In line with the Department of Planning's Draft Central Coast Regional Strategy (2006) it is Wyong Council's policy to encourage higher densities around transport nodes and facilities (for example, Wyong, Tuggerah and Toukley). This allows for other types of housing that may be more affordable and more appropriate to certain sections of the community. A lot of the greenfield development in the new suburbs is separate large houses. This can often be too expensive for many people living in the Shire.

Table 9 below provides the trends in dwelling types for the Wyong Shire from 1991 to 2001.

Table 9: Dwelling Types – Wyong Shire (% of Total Dwellings)

	1991	1991 %	1996	1996 %	2001	2001 %
Separate House	38,119	83.9%	42,174	81.1%	47,649	82.3%
Semi-Detached, Terrace/Town House	2,547	5.6%	3,136	6.0%	4,780	8.3%
Flat, Unit, Apartment – 1 or 2 Storey Block	1,932	4.3%	2,946	5.7%	2,381	4.1%
Flat, Unit, Apartment – 3 or More Storeys	649	1.4%	729	1.4%	647	1.1%
Flat, Unit, Apartment – Attached to House	256	0.6%	173	0.3%	219	0.4%
Flat, Unit, Apartment – Total	2,837	6.2%	3,848	7.4%	3,247	5.7%
Caravan, Cabin, House Boat	1,508	3.3%	1,513	2.9%	1,358	2.3%
Improvised Home, Tent	27	0.1%	15	0.0%	22	0.0%
Home Attached to Shop/Office	143	0.3%	149	0.3%	142	0.2%
Not Stated	274	0.6%	1,198	2.3%	718	1.2%
Total	45,455	100.0%	52,033	100.0%	57,916	100.0%

Source: ABS Census 2001, Time Series Profile
Central Coast Regional Profile and Social Atlas, 2004



Dwelling Tenure:

In 2001, shown in the table below, nearly 43% of dwellings on the Central Coast were fully owned and a further 26.5% being purchased. Between 1991 and 2001, there was a decline of around 3% in the proportion of fully owned homes on the Central Coast.

Between 1991 and 2001, there has been an increase of nearly 7% (1.8% in NSW) in homes on the Central Coast that are being rented on the private market. Overall, rental properties on the Central Coast in 2001 still represented a lower proportion of all homes compared with New South Wales.

The number of dwellings rented from the NSW Department of Housing on the Central Coast has increased slightly over the past 10 years (2,962 to 3,673) while the proportion of dwellings rented through the Housing Department has remained largely constant over the same period (3.5%/3.3%).

There are 4,629 social housing properties in the Region. Of these 4,172 are Public Housing stock, 68 are Aboriginal Housing stock and 389 are Office of Community Housing stock. Public Housing stock concentrations in Wyong and Gosford LGAs are approximately the same (3.3%).

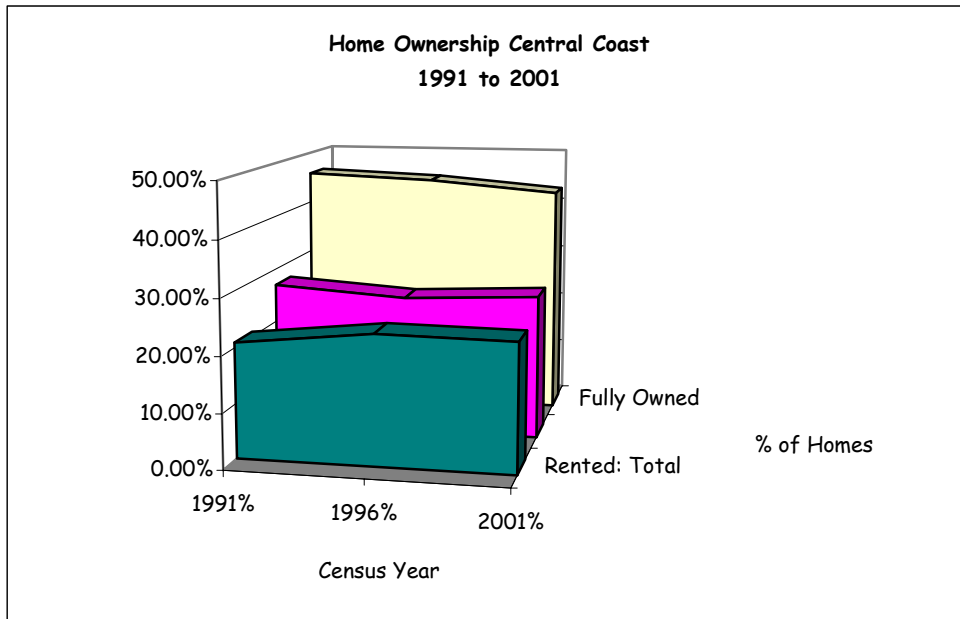
Table 10: Dwelling Tenure - Central Coast

	1991	1991 %	1996	1996 %	2001	2001 %
Fully Owned	39,063	45.8%	44,787	44.9%	47,495	42.9%
Being Purchased	23,008	27.0%	25,324	25.4%	29,317	26.5%
Rented: Housing Department	2,962	3.5%	3,665	3.7%	3,673	3.3%
Rented: Other Landlord	14,166	16.6%	19,573	19.6%	25,732	23.2%
Rented: Not Stated	746	0.9%	168	0.2%	309	0.3%
Rented: Total	17,874	20.9%	23,406	23.5%	25,732	23.2%
Other Tenure Type	5,408	6.3%	6,152	6.2%	8,148	7.4%
Total	85,353	100.0%	99,669	100.0%	110,692	100.0%

Source: ABS Census 2001, Time Series Profile
Central Coast Regional Profile and Social Atlas, 2004



Home Ownership - Central Coast, 1991 to 2001



Central Coast Regional Profile and Social Atlas, 2004

The increase in private rental housing in the region reflects both an increase in investors entering the Central Coast housing market and an increasing number of people continuing in rental accommodation as house prices in the region become less affordable. It also reflects a wider pattern of falling numbers of first home buyers. In Australia the number of first home buyers dropped by half between 2001 and 2004 despite low interest rates. More demand in the rental market can put pressure on prices. It can also squeeze the very low income end of the market so that households in this bracket have very few housing options as more low to moderate income households rent what is available.

When we look at the different types of unoccupied private dwellings on the Central Coast in 2001, we see that flats/units and apartments represent a significantly larger proportion than other dwelling types. This is particularly marked in Wyong where there are more than double the proportion of unoccupied flats/Units and Apartments than across NSW. As the Central Coast has moved from being largely a holiday destination to one where people live permanently, there has been a steady decline in unoccupied dwellings (which were often holiday houses), however, the proportion remains high for flats, units and apartments.

Overwhelmingly, the Central Coast remains a region where home ownership is a priority for most people, however, the increase in private rental housing in the region seems to reflect both an increase in investors entering the Central Coast housing market and an increasing number of people continuing in rental accommodation as house prices in the region become less affordable. Currently there is no accurate way of identifying what end of the market the rentals are in. At a national level many investment properties are concentrated at the high end of the market as the investors take advantage of tax breaks such as negative gearing and low capital gains tax.

Lot Production in the Wyong Shire:

Land in Wyong Shire, which is either being released or is expected to be available for use over the next five years, is earmarked in the Council's Urban Development Program (UDP). Wyong Council's Residential Land Monitor records these releases. The table below highlights the fluctuating levels of supply potential from 1989 to 2005.



Table 11: Lot Production 1989-2005

Year (As at Dec 30)	Lots Created	
	UDP	Non UDP
1989	978	51
1990	416	41
1991	359	49
1992	581	117
1993	672	46
1994	964	107
1995	742	162
1996	704	23
1997	442	133
1998	601	208
1999	448	241
2000	923	98
2001	400	25
2002	673	69
2003	592	98
2004	521	172
2005	168	326

Source: Wyong Shire Council Residential Land Monitor 2006

Each year Department of Planning in conjunction with Wyong Council, private developers and other State agencies decides on the lot production for each UDP release area. Table 12 below outlines the lot estimates for the next 5 years in the new release areas

Table 12: Lot Production Estimates for 2005-2010

Release Area	Production Estimates					5 Year Total
	2005 / 06	2006 / 07	2007 / 08	2008 / 09	2009 / 10	
Blue Haven	65	25	50	50	0	190
Gwandalan	0	0	0	0	0	0
Mardi	70	20	0	0	0	90
Watanobbi	25	25	100	50	100	200
Tumbi Valley	60	100	90	60	120	310
Wadalba West	100	210	210	210	210	940
Hamlyn Terrace	0	0	20	0	150	170
Woongarra	80	80	80	80	70	390
Total	400	460	550	450	650	2,290

Source: Wyong Shire Council Residential Land Monitor 2006



6.6 Key Market Indicators



Summary of Key Market Indicators:

- From 2001 to 2005, the proportion of properties that were affordable for purchase to people with household incomes in the 4th decile declined by 80% in Wyong and 43% in Gosford.
- From 2001 to 2005 Wyong experienced a 69% increase in the median house price.
- From 2001 to 2005 the median market rent rose from \$180 to \$220 in Wyong and from \$202 to \$240 in Gosford, shown in the table below.
- According to the Department of Housing Rent and Sale Report in 2005 the median sales price for a house in Wyong Shire was \$310,000. Assuming a 5% deposit, 30 year loan and 7% interest rate, this would require a household income of \$80,000 for the repayments to be affordable. With the income levels of the Shire only 20% of the population would be able to afford this median priced house.
- In 2001, 59.2% of low and moderate household income renters in Wyong and 59.6% of low and moderate household income renters in Gosford were experiencing housing stress.
- In 2001, 43% of low and moderate household income purchasers in Wyong and 47% in Gosford were experiencing housing stress.

A decline in housing affordability for both the rental and purchase market has become a key issue of concern on the Central Coast over the past 5 years.

The tables below demonstrate the steady decline at a regional level in affordability of houses for purchase for people in the lowest 40% income bracket (4th decile) from 2001 to 2005. The proportion of properties that were affordable for purchase to people with household incomes in the 4th decile declined by 80% in Wyong and 43% in Gosford. This compares to an increase in affordability of 33% for the Sydney Statistical Division over the same period

A property is regarded affordable if the purchase price is less than 30% of the 40th percentile (4th decile) census household income.

Table 13: Purchase Affordability 2001-2005

	Percentage Affordable Purchase Stock					Percentage Change
	2001	2002	2003	2004	2005	
Wyong	30%	10%	4%	4%	6%	80% (decrease)
Gosford	7%	4%	3%	2%	4%	43% (decrease)
Sydney Statistical Division	3%	2%	2%	4%	7%	33% (increase)

Source: Rental Bond Board and Valuer-General



The increase in house prices in both Wyong and Gosford from 2001 to 2005 is shown in the table below. Wyong experienced a 69% increase in the median house price in this 3 year period. From 2004 to 2005 the housing purchase market plateaued and house prices decreased slightly.

Table 14: Median House Prices 2001-2004

	2001	2002	2003	2004	2005
Wyong	\$199,500	\$245,000	\$305,000	\$337,000	\$310,000
Gosford	\$257,000	\$300,000	\$370,000	\$385,000	\$375,000

Source: NSW Department of Housing, 2004.

Market rents have shown similar increases to house prices without any slump in the 2004-2005 period. From 2001 to 2005 the median market rent rose from \$180 to \$220 in Wyong and from \$202 to \$240 in Gosford, shown in the table below

Table 15: Median Market Rent 2001-2004

	2001	2002	2003	2004	2005
Wyong	\$180	\$190	\$200	\$210	\$220
Gosford	\$202	\$210	\$220	\$230	\$240

Source: NSW Department of Housing, 2004

According to the Department of Housing Rent and Sale Report in 2005 the median sales price for a house in Wyong Shire was \$310,000. Assuming a 5% deposit, 30 year loan and 7% interest rate, this would require a household income of \$80,000 for the repayments to be affordable. With the income levels of the Shire only 20% of the population would be able to afford this median priced house.

A study carried out in September 2006 by the Central Coast Research Foundation of residents in the Region found that 72.6% of the sample somewhat agreed or strongly agreed that housing affordability was a major issue for the Central Coast.

Housing Stress:

Housing stress is calculated by looking at the number of people earning an income below the median for a region and spending more than 30% of that income on housing costs.

In 2001, 59.2% of low and moderate household income renters in Wyong and 59.6% of low and moderate household income renters in Gosford were experiencing housing stress. In 2001, 43% of low and moderate income purchasers in Wyong and 47% in Gosford were experiencing housing stress.



Housing in the Wyong Shire

Between 1996 and 2001, the overall number of people renting in the private market and in housing stress increased by 6.6% in Gosford and 12% in Wyong as compared with 2% across the Sydney Statistical Division: although the percentage of people renting in housing stress decreased over the same period (Table 17). Between 1996 and 2001 the overall number of people purchasing a house and in housing stress increased by 10.9% in Gosford and 6.9% in Wyong as compared with 14.7% across the Sydney Statistical Division: however the percentage of people decreased marginally (Table 18).



Table 16: Low and Moderate Income Private Renters and those in Housing Stress, 1996 to 2001

	1996			2001				
	Total	% in Housing Stress	No. in Housing Stress	Total	% in Housing Stress	No. in Housing Stress	Change in Stress Number	%
Gosford	5,985	62.3	3,731	6,676	59.6	3,977	246	6.6
Wyong	5,986	61.2	3,666	6,931	59.2	4,104	438	12.0
Sydney Statistical Division	141,350	68.2	96,409	147,336	66.7	98,294	1,886	2.0
NSW	22,454	66.2	14,858	239,385	63.7	152,411	3,893	2.6

Source: Centre for Affordable Housing. NSW Dept. of Housing, 2004

Table 17: Low and Moderate Income Purchasers and Those in Housing Stress, 1996 to 2001

	1996			2001				
	Total	% in Housing Stress	No. in Housing Stress	Total	% in Housing Stress	No. in Housing Stress	Change in Stress Number	%
Gosford	3,970	49.5	1,965	4,638	47.0	2,180	215	10.9
Wyong	3,990	51.6	2,058	5,099	43.1	2,199	141	6.9
Sydney Statistical Division	69,458	55.0	38,167	80,875	54.1	43,762	5,595	14.7
NSW	112,622	53.5	60,200	132,462	50.0	66,192	5,991	10.0

Source: Centre for Affordable Housing. NSW Dept. of Housing, 2004



7 Consultation



Consultation was a key stage in the design of the Housing Strategy. In order for Wyong Council to prepare a strategy that could be implemented effectively, it was important to consult with people who are experts in the broad field of affordable housing as well as with the people who experience in their private lives the lack of housing choice in the Shire and the issues that come with it.

The objectives of the consultation process were to:

- Promote the fact that Wyong Council was preparing a local housing strategy;
- Determine what the issues and opportunities are in the Shire regarding affordable housing and housing choice;
- Identify possible strategies that would protect existing and promote and produce new opportunities for housing choice; and
- Identify potential partners for affordable housing initiatives.

A number of approaches were used to ensure a wide range of people were consulted:

- A Wyong Shire Affordable Housing Reference Group was established at the beginning of the project to advise on both the process of preparing a local housing strategy and the design of the strategy itself. The Group comprised a Wyong Councillor and representatives from 17 different stakeholder areas. The participants were from the business sector (including developers), State government departments and non-governmental and community organisations (see Part 4 for the organisations represented).
- A Wyong Council Internal Advisory Group was established to provide input into the development, design and implementation of the strategy. The Group was comprised of representatives from the Planning, Development Control and Community Development departments of Council.
- Two community consultations and 9 targeted focus groups were held to canvas perspectives from across the Shire on issues on design, supply and management of affordable housing. There were approximately 100 people who attended these consultations. The focus groups involved the following organisations or areas:
 - Aged, disability and mental health sector;
 - Supported Accommodation Assistant Program services;
 - Developers and planning consultants;
 - Department of community Services;
 - Tenants' Advice and Advocacy Service;
 - Department of Housing;
 - Residential park residents;
 - Residential park owners and managers; and
 - The homeless early intervention Habitat program.

7.1 Information Gathered from Community Consultations and Focus Groups

The objectives of the community consultations and focus groups were to canvas views from people who have either a professional or personal interest in the issues surrounding affordable housing and housing choice in the Wyong Shire. In each session a series of open-ended questions were asked of the participants related to housing issues and the responses were recorded and later transcribed. The following is the information that was provided and has been grouped into four areas: social aspects; design considerations; residential parks and tools for achieving improved housing choice.





Social Aspects:

- A lot of community and social concerns were raised including: TICA (Tenancy Information Centre of Australia) issues and how the information is managed and used, security of tenure for residential park residents, discrimination against young people by real estates, lack of provision of emergency accommodation for men, discrimination against single parents in the rental sector, the need to educate real estate agents about social issues.
- Neighbours were concerned who would be living in the affordable housing and how it would be integrated into neighbourhoods. Some residents spoke of bad experiences they had with some Department of Housing (DoH) tenants such as violence, theft, alcohol or drug issues.
- It was emphasised the importance of managing any affordable housing venture to ensure the liveability for all people in the area and also to not have any impact on the value of adjacent land.
- Market research is showing demand for one bedroom dwellings. There is also high demand for two bedrooms. An increase in supply of this type of housing could offer more affordable options.
- Concern was expressed around lack of awareness in young people regarding tenancy issues. Often they end up on TICA and things can spiral downwards for them. Suggestion that education project happen in schools to prepare young people for renting accommodation.
- It was felt a range of affordable housing options were needed in the Shire: for aged, families – especially young parents, single parents, 1-5 bedrooms, and more emergency accommodation (especially youth refuges) along with exit points for people in it.
- It is important not to have clustering. Also it is important to consider not just the cost of housing when thinking about affordable housing but also its location and access to employment, services, transport etc.
- A suggestion that the community development model of using the skills of the tenants and paying them for the upkeep of the housing be implemented. This could happen in both Department of housing and community housing dwellings.
- Wyong Shire Council needs to instill more awareness in the community about the issues surrounding affordable housing and homelessness and the opportunities that Council has to address the problem. Councillors need to commit to promoting the importance of affordable housing and social benefits of it. A triple bottom line approach is needed. Council policies and planning should reflect the socio-economic diversity in the community.
- Other organisations could set up a coordinated network of housing providers, Supported Accommodation Assistance Program (SAAP) services and any other organisation that has an interest in affordable housing and homelessness.
- Use DoH houses that are currently empty and destined for redevelopment (in 1-2 years) and have them used for emergency accommodation.

Design Considerations:

- It is important that any affordable housing be designed in a way that it blend in with rest of the neighbourhood. There are examples of affordable housing where it looks exactly the same as a four/five bedroom suburban 'McMansion' style home that has one bedroom units divided through it.
- Whole of life/extended life housing that can provide different house types for different stages of life needs to be considered.
- Adaptable housing is reasonably easy to do. However the price will be the main issue and to sell them considering commercial realities. Architect design vs. project home products make for different house prices.
- Universal Housing: Specific design features include fittings in bathroom for handrails, wider doorways, turning circles wider at end of hall, kitchen and bathrooms slightly wider, and estimated cost is between \$400 - \$800. The Real Estate Institute of Australia are getting behind it.



Residential Parks Issues:

- The Village Life model works well and although it is only one small area of affordable housing issues, it should be considered for Wyong Shire.
- People move into residential parks and possibly 5 years later their care needs change and the design and accessibility of the homes becomes inappropriate.
- Suggestion that WSC make design requirements at Development Application stage for certain percentage of sites to have adaptable, accessible/universal design. Maybe use Seniors Living SEPP as guidelines, especially for those that advertise as over 55s.
- Important to make sure there will be service provision included alongside the design that allows frail and disabled people to live in homes.
- Wyong Council should consider creating new residential park villages as a joint venture between private, Council and community sector to increase level of supply and deliver specific affordable housing.
- Suggestion that aged and disability services have input into development applications and/or a support services statement is needed for Seniors Living SEPP when considering affordable housing in residential parks that target a particular client group.
- A lot of concerns around the internal management of parks and how this would be managed in a joint venture.
- Are residential parks still a form of affordable housing considering the gentrification that is happening within parks and the restrictions on what type of homes can go in vacant spots.
- Wyong Council seems to be against more residential parks, both planners and councillors. The proposed Development Control Plan (DCP) 23 restrictions are a concern for owners, they make it very onerous and almost impossible to create new parks.



Tools to Achieve Improved Housing Choice:

- Inclusionary Zoning: Inclusionary zoning is not a recommended way forward. Strong chance developers will just not develop land.
- Zoning: Zoning and development controls are some of the reasons as to why the market is not supplying a diversity of housing; example was given of 2B around Wadalba where developers could have done integrated housing models. Wyong Council changed zoning to 2E and the type of housing changed all to 4 bedroom. Planning framework needs to allow increased dwelling yields and get over 500-600m² blocks.
Therefore what goes into the Local Environment Plan is crucial, it needs to be the right zoning (eg. 2B rather than change to 2E) to encourage diversity in housing. Some sort of bonus has to be offered to encourage developers to pursue the options. Wyong Council has to have a communications/information strategy to deal with the people who complain about higher densities.



- Consider High Rise. It doesn't have to be very high. It could be 12 storeys. Retirement villages will have to go vertical. Seniors living has 1:1 Floor Space Ratio as well as being able to include an affordable housing bonus. The planning framework has to accommodate this to encourage it to happen. It would need to happen through amendments to LEP along with right zonings specifying what is permitted.
- Planning Agreements: Seen to be the way that achieves an outcome for everyone.
- Incentives: In SE Queensland, Brisbane City Council and 8 other councils have an agreement where they have set up universal design and affordability as part of their sustainability indexes where developers get points and rebates for achievements in these areas. If the developer gets 100 points then they get development concessions/incentives.
- Joint Venture: This can happen with community housing associations, developers, State Government departments. Suggestion of doing a joint venture with Department of Housing blocks of land that exist in Wyong area.
- Contributions: increased contributions are becoming more onerous for developers and pushing house prices up. Hunter Water, RTA, heritage, archaeology etc. If these are reduced the end product can be made cheaper. The Strategy should consider Section 94 contributions for affordable housing.
- Shared equity: Shared equity for home ownership (possibly focused as an exit strategy for people in community housing or Department of Housing). Suggestion that Wyong Council offer relief on Section 94 contributions to lower overall cost, the land is donated to a trust possibly by a developer and people would only have to raise the capital and would own a percentage of it pay a share to have a stake in housing. Willingness from Terrace Towers to get involved. Developers could donate land rather than cold hard cash. This is very different from Centre for Affordable Housing's debt equity model where the focus is on the community housing organisation to produce more affordable rental by extending their stock. The former is affordable purchase through shared equity in the ownership of the dwelling.
- Sweat equity: idea that land be donated by Wyong Council and sponsorship from developers and businesses. Very time consuming project with high level of management. It needs one project co-ordinator.
- Inclusion in LEP of affordable housing objectives.
- Granny flats: Wyong Council to consider relaxing restrictions and encouraging supply.
- Landlords: incentives for landlords to target low income households – rate rebate Consortium model used in Tasmania.
- Super funds: encourage super funds to invest in this area.



Hackett Lane, Sydney (City West)



8 Housing Choice Initiatives for the Wyong Shire

The purpose of the Local Housing Strategy is to provide a cohesive framework to address the housing issues affecting the Shire population. Local governments can have a significant impact on the supply, mix and cost of housing in their local housing market by using, amongst other tools, their planning policies, development control processes and building regulations. By identifying effective and innovative approaches that can deliver more housing choice for low to moderate income households, Wyong Council will be in a position to effectively influence the current and future diversity of housing provision in the Shire. Table 18 gives an overview of approaches used by other councils

Table 18: Overview of Policies and Strategies Used by Other Councils

Council	Instrument / Type	Purpose	Comment
Blacktown	DCP with flexible design rules (site specific)	Create 'moderate income households'	Relaxed standards codified in a site specific DCP. Allowed for reduced minimum lot sizes, efficient lot and house design
Byron	LEP		Has an affordable housing strategy for urban areas; preparing an affordable housing DCP; has resolved to have instruments covered by SEPP 70 (inclusionary zoning)
Canada Bay	Policy	Provides for affordable housing contributions in planning agreements on large developments	Adopted an affordable housing policy based on s93F: 25% of bonus FSR; resolved to do a needs study, include controls in its LEP and DCP, decided to seek inclusion in SEPP 70
Eurobodalla	Residential Design Code and DCP	Includes recommendation that offsets, eg. increased FSR, might be given for dwellings whose design addresses affordability	No enabling provisions in LEP
Gosford	LEP 443	To protect against the loss of residential parks	
Manly	LEP (1988)	Increase supply of boarding/lodging houses	Needs LEP amendments for a developer contribution scheme, such a scheme, and SEPP; commissioned housing needs study (jointly with Warringah) with a LGHIP grant 2005
Newcastle	DCP 40: City West	Bonus FSR of up to 0.25:1 given if affordable housing is part of a development in the precinct	
North Sydney	Section 94 contributions plan for affordable housing; LEP 2001 and policy	Levy developers to finance affordable housing	
Parramatta	LEP 2001		Aim in LEP broad, but supported by REP; adopted amendments to LEP and scheme (a DCP) 15/12/03; has active proposal with DoP to be covered by SEPP 70



Council	Instrument / Type	Purpose	Comment
Randwick	Policy on Section 94 contributions plan for on loss of affordable housing	Levy developers to finance affordable housing	Randwick accessibility and affordability study 1999. S94 scheme. Had amendments to its LEP (LEP amendment no22) on various affordable housing matters approved August 2005.
Sydney	Sydney REP 26 - City West	Levy developers to finance affordable housing	SEPP 70 for Ultimo-Pyrmont and Green Square
Waverley	Section 94 contributions plan (s) on loss of affordable housing); LEP 96 Multi-unit housing DCP No.1	Levy developers to finance affordable housing; aim in LEP density bonuses in exchange for affordable housing	Waverley housing study 1999. S94 scheme validated for 2 years from 5 Jun 00 by EPAA(AH) Act 2000
Willoughby	Willoughby DCP 23 -Willoughby Local Housing Program	Levy developers to finance affordable housing	SEPP 70

In planning for housing diversity the first of the strategies included here have been divided into three approaches: protecting existing sources of housing choice; promoting new opportunities and sources of housing choice; and producing more housing choice. The subsequent strategies consider: how to monitor and evaluate an implementation process; how Council staff and Councillors can support a Wyong Council Local Housing Strategy; what resources are needed; what type of housing will be produced; how the housing will be managed; and the importance of adaptable housing. The strategies identified here draw on many of the approaches used by other local government authorities in New South Wales as well as the information gathered from the community consultations, focus groups, Wyong Shire Affordable Housing Reference Group and Wyong Council Internal Advisory Group.

8.1 Protecting Existing Sources of Housing Choice

The main private sector supply of affordable housing in the Wyong Shire is in the form of low cost rental accommodation, caravan parks and manufactured home estates. This form of housing often comes under threat as land prices rise and the need to improve the quality and amenities of neighbourhoods and buildings increases. Councils can be proactive in their attempts to either protect existing affordable housing or pursue impact mitigation strategies for the loss of affordable housing through development. Some of the options open to Councils are the following:

8.1.1 Objectives to Protect Housing Choice for Inclusion in Council Planning Instruments

Council can demonstrate its commitment to protecting housing choice and affordable housing by including objectives and specific controls in planning instruments such as the Local Environment Plan. This will allow the development process to play a key role in effectively protecting existing affordable housing. It will also send a clear policy signal to developers in support of the other housing choice strategies.



Recommendation: *Prepare housing choice and affordable housing objectives to protect affordable housing for inclusion in Wyong Council's LEP and other planning instruments.*



8.1.2 Social Impact Assessment

Requiring all developments that may threaten the existing supply of or demand of housing choice and affordable housing to undertake a social impact assessment would assist in deciding if the development should go ahead as planned or if some mitigation plan should be put in place. Such a strategy has the advantage of strengthening the SEPP 10 process. Hastings Council in addition to its Social Impact Assessment Policy provides guidelines on how to carry out the assessment. Wyong Council currently requires certain developments to undertake a social impact assessment: this could be tailored specifically for affordable housing concerns.



Recommendation: *Establish a policy that requires any development that may threaten the supply of or demand for housing choice and affordable housing to undertake a social impact assessment.*

8.1.3 Specific Housing Protection Controls

Specific controls may be created to protect certain types of housing. For example Gosford City Council's LEP 443 is designed to protect the closure of manufactured home estates/residential park villages. Gosford has seen many of their residential parks undergo development or sale with the consequence of removal and dislocation of the residents. LEP 443 is designed to prevent this happening. Although Wyong Shire is not experiencing such a degree of development within residential parks the potential is there considering Wyong's very high number of parks in coastal or lake front land.



Recommendation: *Investigate what controls Wyong Council could use to protect vulnerable types of affordable housing such as residential parks.*

8.1.4 State Environment Planning Policy (SEPP) 10 (Retention of Low Cost Rental Accommodation)

Wyong Council is included under the SEPP 10 provision which allows councils to protect and mitigate against the loss of existing low-cost residential flat buildings. It has proven to be a difficult mechanism for councils to use and many Councils have developed additional policies and definitions to clarify and reinforce the intention of SEPP 10. Also staff need to be trained in recognising an application that may require a SEPP 10 consideration. For example Ashfield Council has prepared a SEPP 10 manual to assist its staff in assessing SEPP 10 applications.



Recommendation: *Investigate how Wyong Council can use SEPP 10 to protect housing choice and affordable housing and prepare and educate staff accordingly.*

8.2 Promoting New Sources of Affordable Housing

In order to promote new sources of housing choice Wyong Council needs to clearly articulate its objectives in terms of its desire for diverse and affordable housing. This will encourage and direct provision through the private market to create affordable housing options for low to moderate income households. Some of the opportunities to achieve this are the following:



8.2.1 Objectives to Promote Housing Choice for inclusion in Planning Instruments

Clear planning objectives that promote housing choice and affordable housing should be included in Council planning instruments such as the LEP and DCPs. Currently Council has no such a statement in the LEP. Council could demonstrate its commitment to promoting new sources of affordable housing by having it included in the overall objectives of the LEP and reiterated in the zoning objectives.



Recommendation: *Prepare housing choice and affordable housing objectives to promote affordable housing for inclusion in Wyong Council's planning instruments.*

8.2.2 Zoning of Land

Restrictive zoning can inhibit the private market in delivering diversity of housing choice. With appropriate zoning developers are more likely to take the initiative to provide a diversity of housing options. This is something Wyong Council could ensure happens through requirements in the LEP and DCPs and the rezoning process. Allowing for mixed use zones can provide more affordable housing options, for example near employment locations with lower residential amenities that are therefore less expensive.



Recommendation: *Review zonings as part of the comprehensive LEP review to ensure flexibility that will promote diversity of housing choice.*

8.2.3 Review of Existing Residential Land

Identifying existing residential areas with vacant lots, land that is unutilised and potential redevelopment sites is an effective way of compiling a list of opportunities for affordable housing infill sites. In reviewing these sites there is also the opportunity to identify what constraints there may be to development such as conservation, heritage, topography as well as lot size and land value. Alongside this any development will have to ensure that it fits with surrounding physical and social amenities. With this information Wyong Council would be in a strong position to consult with developers over certain sites and negotiate and encourage further affordable housing supply in targeted areas.



Recommendation: *Review existing residential land as part of the comprehensive LEP review to identify infill opportunities.*

8.2.4 Rezoning of Land

This strategy is the second stage of point 8.2.3. After identifying infill opportunities and the development constraints of each site, rezoning may be the appropriate course of action to encourage improved housing choice. Rezoning options however do not have to be limited to urban infill sites but can consider more rural locations that could accommodate affordable housing options such as manufactured home estates/residential parks.

Manufactured home estates/residential parks are a popular form of affordable housing in Wyong Shire and if the correct locations are found more provision of this type of living could have an impact on people currently in housing stress.



Recommendation: *Identify land as part of the comprehensive LEP review that through rezoning would encourage the provision of diverse and affordable housing.*

8.2.5 Revision of DCP 23



In relation to the above point on manufactured home estates/residential parks it has been argued strongly by many of participants of the consultation focus groups that this type of housing can be, and in many cases in Wyong Shire is, a good example of affordable housing. If appropriately managed with opportunities for resident input, this style of living can be very popular and affordable. Wyong Council has undertaken a review of DCP 23 Caravan Parks but with no final decision taken on a new direction. Wyong Council could review DCP 23 from a housing choice and an affordable housing perspective and consider ways to promote more manufactured home estates/residential parks in line with Council environmental controls. As many of the residents in the parks are seniors, design of the parks is very important, and Council should consider how the parks can be made to be adaptable and accessible for frail and aged residents.



Recommendation: *Review DCP 23 from the perspective of promoting caravan parks and manufactured home estates/residential parks as an appropriate form of affordable housing.*

8.2.6 Development Controls that Inhibit the Provision of Housing Choice

Amendments to development controls that inhibit cost saving opportunities or promote only expensive types of housing should be considered. Controls that relate to housing density, lot size, the size and type of building and construction materials used can have clauses for special provisions to encourage affordable housing.



Recommendation: *As part of programmed DCP reviews, assess planning regulations relating to particular areas to look for development controls that inhibit the provision of housing choice and affordable housing.*

8.2.7 Promotion of Accessory Dwelling Units (Granny Flat)

Accessory dwelling units (granny flats) can be attached to a larger dwelling or be a separate dwelling. They can be a practical way of improving both the affordability of rental and owner occupied housing and at the same time creating more supply of small rental properties. They are suitable as housing for older people that promotes independent living or as housing for older children. Wyong Council could change its current planning controls to permit the use of existing accessory dwelling units and to encourage the supply of more of this type of dwelling. Any policy would be subject to meeting access, design, amenity and other planning requirements. This approach can make better use of existing stock without the need for wide spread development to have an impact on the level of affordable dwellings.



Recommendation: *As part of the comprehensive LEP review and the programmed DCP reviews, consider the provision of new accessory dwelling units in line with acceptable environmental controls.*



8.3 Producing New Sources of Affordable Housing

Wyong Council has at its disposal planning tools that can be used to facilitate the construction of affordable housing or the dedication of funds or lands for the same purpose. There are three main opportunities for councils to use their planning powers to produce affordable housing:

- 1 A scheme under which a levy through contributions (or actual dwellings) is imposed as a condition of consent;
- 2 An approach that involves negotiations with developers for particular developments which lead to conditions being imposed through planning agreements that are acceptable to both parties. This may or may not deliver concessions to the developer;
- 3 A scheme that offers incentives in development control plans to developers in order to deliver some form of affordable housing or equivalent levy.

The first approach uses a mandatory requirement for developers to contribute in some form to affordable housing. However for councils to be able to compel developers to do this requires the council to have an approved affordable housing plan in their Local Environment Plan and to be authorised under SEPP 70. There are currently only three affordable housing schemes that are included in SEPP 70: Ultimo-Pymont; Green Square and Willoughby. Other councils have applications with the Department of Planning to be included in SEPP 70 but the lack of a decision as to whether this is a feasible way for councils to deliver affordable housing would seem to indicate that NSW State Government is not supporting this approach. Consequently under the current conditions it would not seem to be in Wyong Council's interest to pursue this strategy.

The second and third approaches allow for negotiation with developers and are usually tailored to be site specific for a particular development. The main distinction between the approaches is that planning agreements (the second approach) can happen without councils having an affordable housing strategy. They require a greater level of negotiation before a development application goes before council and are less transparent when there is no guiding council policy. Recent changes to the Environmental Planning and Assessment Act 2005 in section 93F have established a regulatory framework for councils and developers to deliver affordable housing through planning agreements. This can be for both the cost of providing affordable housing and/or the funding of recurrent expenditure in managing affordable housing (Shelter, 2006).

The third approach uses incentives to encourage developers to incorporate affordable housing into a development through variations in planning controls. The incentives increase the overall value of a project with the increase in value being enjoyed by both parties – a more profitable project for the developer and affordable housing provision for the council. It requires a baseline planning requirement that can be varied in return for some form of contribution. This is normally defined in detail in a development control plan with the following standards permitted to be modified:

- Floor space;
- Lot sizes;
- Building heights;
- Setbacks;
- Landscaping;
- Car-parking requirements.

In both the second and third approach, a council needs to consider whether there is a net public benefit in allowing a development to go ahead that has alternative standards in order to deliver some form of affordable housing that under normal conditions would not be permitted. With these options in mind Wyong Council could use the following approaches to produce new affordable housing:



8.3.1 Planning Incentives

Developers can be encouraged to supply affordable housing through the use of a planning incentives scheme. This should be included in a development control plan that outlines the possible variation in planning controls and/or development standards. The policy needs to consider things such as: will the development size determine whether only a levy is required or actual affordable dwellings are supplied; what are the advantages and disadvantages of the dwellings being included as part of the overall development or being situated elsewhere; what is the public benefit of the concessions being used; and the process to establish a deed of agreement between the applicant and Wyong Council. Planning incentives are also an effective way to deliver affordable housing in buildings designed for non-residential purposes such as shop top development.



Recommendation: *Develop a planning incentives scheme to encourage developers to supply affordable housing.*

8.3.2 Planning Agreements

Planning agreements can be an effective tool to deliver affordable housing. Their promotion and use should draw on the recent changes in the EP&A Act Section 93F that establishes a framework for voluntary agreements between councils and developers for provision of affordable housing. Wyong Council would not be able to require developers to enter into a planning agreement as a condition of development consent. Instead the policy would allow for flexible and innovative ways for developers to supply affordable housing in circumstances that are inappropriate for the use of the planning incentives scheme. It is important that the developer has a key interest in delivering public infrastructure. The policy should outline the requirements of what is to be included in a planning agreement according to part 3 of Section 93F of the EP&A Act.



Recommendation: *Prepare a formal policy on how to promote and use planning agreements to deliver affordable housing.*

8.3.3 Rezoning

Wyong Council should consider any request for rezoning in light of its implications for diverse and affordable housing supply. This would give Council the opportunity to, if appropriate, have as a requirement of rezoning some form of affordable housing contribution. This process could also be part of or support any planning agreement that might be established.



Recommendation: *Establish a policy as part of the rezoning process that Wyong Council consider any request for rezoning in light of its implications for affordable housing supply.*

8.3.4 Diverse Housing Requirements

Requiring a diversity of housing forms to be provided in multi unit developments can improve housing choice. When developments are planned that include more than a certain number of units, it should be required that a certain minimum amount of one bedroom units and a maximum number of 4/5 bedroom units are provided. An example of this is Leichhardt Council's LEP that has a requirement for diverse housing provision in multi-unit developments.



Recommendation: *As part of the programmed DCP reviews consider requirements for diverse housing forms in multi-unit developments.*



8.3.5 Joint Ventures

Wyong Council could consider facilitating and participating in joint ventures to produce more housing choice. Already Council has successfully worked with the Office of Community Housing and Coastal Community Tenancy Scheme in a joint venture to provide 12 dwellings for frail aged and disabled people on low incomes in the Kanwal area. Council provided the land as its component. With this precedent Council could look for other possible sites that could play a key part of an affordable housing joint venture. Council could donate the land and thereby reduce the overall price of the development or it could defer payment which will reduce the overall upfront cost of the development. This strategy will benefit from the work undertaken in 8.2.3. In situations where Wyong Council is not in a position to participate and contribute to an affordable housing joint venture, it is still in a strong position to identify, initiate and facilitate joint venture opportunities.

From the project Reference Group and the consultation focus groups, there was a strong message that Wyong Council should consider a joint venture that creates a residential park intentionally managed as an affordable housing project. If Wyong Council were to contribute a significant asset, such as land, this would considerably reduce the cost of the project whilst allowing Council to influence what type of management is created.



Recommendation: Facilitate and/or participate in affordable housing joint ventures and look to what assets Council can contribute to such ventures.

8.4 Monitoring and Evaluating the Affordable Housing Strategy

In order to maintain an accurate picture of the local housing market and the provision of housing choice it will be necessary to update the housing market analysis carried out in Chapter 6. Alongside this it will also be important to gather other specific information that is currently not recorded to provide the benchmarks and developments that will assist in assessing the effectiveness of the strategies undertaken.

The release of the latest Census data - to happen in late 2007 – will allow updating of the housing market analysis. Other indicators not currently recorded that are important to revealing a more accurate picture of affordable housing supply and levels of housing stress are the following:

- Each DA approval should record the type of housing, number of bedrooms, bedroom configuration for multi unit dwellings, value of property pre and post development, and if rental property average rent and tenants;
- A list of caravan parks and manufactured home estates/residential parks and the number of permanent sites, emergency accommodation sites and any other non-tourist type of residency;
- Loss of any affordable housing (low cost private rental, caravan parks etc.);
- Outcomes of any social impact assessments (or SEPP 10 applications) for affordable housing purposes; and



- A stock take of Council lands.

Also as each strategy is commenced it should have its own monitoring and evaluation process to feed into this overall measuring system. This should provide information on the way the strategies are being carried out as well as the impact of the actions. The Wyong Shire Affordable Housing Reference Group should meet every 6 months to monitor progress of the implemented strategies as well as to provide feedback on their own professional area as to any changes they have observed regarding the housing sector.



Recommendation: Undertake a monitoring and evaluation process for each strategy that is implemented.

8.5 Council Support for Affordable Housing

An integral part of any local government affordable housing strategy will be the council's public support for the initiatives. Councils that take a leadership role and communicate their support both internally and externally are more likely to see the planning controls and other aspects of the strategy successfully implemented. Demonstrating political commitment to the strategy is as important as properly resourcing the implementation of the strategy.

The need for the Councillors to support and advocate on behalf of the strategy was a point that was made many times at the consultations. Often there is community resistance to medium and high density developments and the Councillors should take more of a leadership role in promoting the importance of well designed, appropriately located and socially mixed medium and high density dwellings. Both Councillors and Council staff can encourage the community to actively participate in the design of their neighbourhoods through consultations and workshops that will lift the stigma and misconceptions that often surround affordable housing. Other approaches such as media releases, official openings of new affordable housing dwellings and design awards can also develop better community awareness.



Recommendation: Develop a promotional/communications strategy to complement the other affordable housing strategies.

8.6 Resources

Resources are required to implement the strategies in this document. It is proposed that an on-going dedicated Wyong Council position of Housing Officer be created. This position, to be located in Future Planning, will perform a strategic role in developing the policies and approaches outlined in the recommendations that will deliver affordable housing within Wyong Council's ability. The role of the Housing Officer will be to:

- Undertake the actions in the strategy.
- Monitor progress of the actions.
- Liaise with stakeholders.
- Promote community awareness of affordable housing opportunities and issues.



Recommendation: Establish a Housing Officer position.



8.7 What Type of Housing to Provide

The housing study in chapter 4 along with the community consultations has indicated that there is a need for more 1 and 2 bedroom private rental units in Wyong Shire. Increasing the supply of this type of housing will go some way to addressing the availability of affordable units. Designated affordable housing that is managed by a community housing association and that offers below market rent will directly increase the availability of affordable housing. However there is also a demand from large families on low incomes for affordable 4 bedroom houses. In addition to this there is demand for adaptable housing for frail, aged and disabled from low income households.

Deciding what type of affordable housing to provide in a particular development will be determined by a number of factors such as: what are the main affordable housing needs for that area; what type of affordable housing is appropriate to the overall development; where exactly should the affordable housing be located etc. To assist this process of determining what type of affordable housing to provide it is important to have a check list of information needed before any decision is taken with a development application.



Recommendation: *Design a checklist of information to inform the process of deciding exactly what type of affordable housing will be provided in a particular development.*

8.8 Managing the Tenancy of Affordable Housing

Once designated affordable dwellings are created the next stage is deciding who is entitled to live there, how much they will pay and how the tenancy will be managed. Traditionally councils have not got involved with the on-going management of affordable housing. There are organisations that are already very skilled in undertaking these tasks in the form of community housing associations. Wyong Shire has two community housing associations working in the area: Coastal Community Tenancy Scheme and Pacific Link Community Housing Association. A typical situation would be where a developer provides a number of units to Council in return for a planning control bonus: the Council then contracts a community housing association to headlease the units and the community housing association manages all aspects of the tenancy process. Other options exist where the properties are transferred from the council to the community housing association with certain restrictions on what can be done with the property. The advantage of this is that the community housing association can enjoy the equity of the asset and use it to develop their portfolio of assets and consequently be able to provide more affordable housing. Other council models look at the dwellings as opportunities for community development initiatives and work with the tenants in skill development projects where they take a more proactive role in managing the administration and maintenance of their dwellings.



Recommendation: *Develop a process for ownership and management of any affordable housing created.*



8.9 Adaptable Housing

Discussion took place at the consultation stage about the need for more provision of adaptable housing in the Shire. This is a type of housing that is designed in a way that can be modified easily to become accessible to both residents and visitors with disabilities or progressive frailties. An effective approach for Council to take is to adopt the principles of Universal Design that promote good design for everyone and doesn't single out certain groups for specific design, such as people with disabilities. Specific design or 'barrier free' approaches can often produce stigmatising separate solutions, for example a ramp that leads to an entrance other than the main entrance. Universal design strives to be a broad-spectrum solution that helps everyone, not just people with disabilities. As well as endorsing the principles of Universal Design Council could require a certain percentage of developments to include accessible and adaptable design standards according to the Australian Standards, 1428 and 4299. These standards give specific guidelines on how to design adaptable and accessible housing. Council could require a minimum mandatory amount of accessible and adaptable housing depending on the size of the development and could also offer a bonus for additional provision using the principles recommended in 8.3.1.



Recommendation: Include the principles of Universal Design in the LEP and develop a policy that has a mandatory requirement for all new multi-unit residential developments to have a percentage of adaptable and accessible housing in accordance with Australian Standards 1428 and 4299.

8.91 A DCP for housing for older people or people with a disability

State Environmental Planning Policy (SEPP) (Seniors' Living) 2004 aims to ensure a sufficient supply of accommodation for older people and people with a disability by relaxing local residential development controls, subject to strict locational and design criteria to ensure that such housing is of a high quality and well located. Seniors' Living has clarified some of the issues associated with the repealed previous SEPP No.5 . However a number of councils still have concerns around the new Policy such as the location and development of senior living developments, the development of senior living facilities in inappropriate non-urban areas, and the monitoring and enforcement of occupancy restrictions. Many councils have taken the decision to request an exemption from SEPP (Seniors' Living) and prepare their own Development Control Plan for older people and people with a disability. A DCP can allow for greater detail, flexibility and local level appropriateness not offered by Seniors' Living.



Recommendation: research the need for a specific DCP for housing for older people and people with a disability

Costing

The cost of the above recommendations is almost exclusively confined to human resources. If the recommendations are adopted the resourcing of the Housing Officer (8.6) position in 2007/08 will allow for all the other recommendations to be carried out.



Summary of Options

Area	Recommendation	Who
8.1 Protecting Existing Sources of Housing Choice	8.1.1 Prepare housing choice and affordable housing objectives to protect affordable housing for inclusion in Wyong Council's LEP and other planning instruments	WSC Housing Officer (HO), Future Planning and Development Control
	8.1.2 Establish a policy that requires any development that may threaten the supply of or demand for housing choice and affordable housing to undertake a social impact assessment	WSC HO and Future Planning
	8.1.3 Investigate what controls Wyong Council could use to protect vulnerable types of affordable housing such as residential parks	WSC HO and Future Planning
	8.1.4 Investigate how Wyong Council can use SEPP 10 to protect affordable housing and prepare and educate staff accordingly	WSC HO and Future Planning
8.2 Promoting New Sources of Housing Choice	8.2.1 Prepare housing choice and affordable housing objectives to promote affordable housing for inclusion in Wyong Council's planning instruments	WSC HO and Future Planning
	8.2.2 Review zonings as part of the comprehensive LEP review to ensure flexibility that will promote diversity of housing choice.	WSC HO and Future Planning
	8.2.3 Review existing residential land as part of the comprehensive LEP review to identify infill opportunities	WSC HO and Future Planning
	8.2.4 Identify land as part of the comprehensive LEP review that through rezoning would encourage the provision of diverse and affordable housing	WSC HO and Future Planning
	8.2.5 Review DCP 23 from the perspective of promoting caravan parks and manufactured home estates/residential parks as an appropriate form of affordable housing	WSC HO and Future Planning, residential park owners and residents
	8.2.6 As part of programmed DCP reviews, assess planning regulations relating to particular areas to look for development controls that inhibit the provision of housing choice and affordable housing	WSC HO and Future Planning
	8.2.7 As part of the comprehensive LEP review and the programmed DCP reviews, consider the provision of new accessory dwelling units in line with acceptable environmental controls	WSC HO and Future Planning
8.3 Producing More Housing Choice	8.3.1 Develop a planning incentives scheme to encourage developers to supply affordable housing	WSC HO and Future Planning
	8.3.2 Prepare a formal policy on how to promote and use planning agreements to deliver affordable housing	WSC HO and Future Planning
	8.3.3 Establish a policy that, as part of the rezoning process, Wyong Council consider any request for rezoning in light of its implications for diverse and affordable housing supply	WSC HO and Future Planning
	8.3.4 As part of the programmed DCP reviews consider requirements for diverse housing forms in multi-unit developments	WSC HO and Future Planning
	8.3.5 Facilitate and/or participate in affordable housing joint ventures and look to what assets Council can contribute to such ventures	WSC HO, Property Dept, developers and consultants

Area	Recommendation	Who
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Area	Recommendation	Who
8.4 Monitoring and Evaluating the Affordable Housing Strategy	8.4 Undertake a monitoring and evaluation process for each strategy that is implemented	WSC HO
8.5 Council Support for Affordable Housing	8.5 Develop a promotional/communications strategy to complement the other housing strategies that incorporates all aspects of Council and Councillors	WSC HO and Communications Dept
8.6 Resources	8.6 Establish a Housing Officer position in 2007/08	WSC Future Planning
8.7 What Type of Affordable Housing to Provide	8.7 Design a checklist of information to inform the process of deciding exactly what type of affordable housing will be provided in a particular development	WSC HO
8.8 Managing the Tenancy of Affordable Housing	8.8 Develop a process for ownership and management of any affordable housing created.	WSC HO and Community Housing Associations
8.9 Adaptable Housing	8.9 Include the principles of Universal Design in the LEP and develop a policy that has a mandatory requirement for all new multi-unit residential developments to have a percentage of adaptable and accessible housing in accordance with Australian Standards 1428 and 4299	WSC HO and aged and disability sector
	8.91 Research the need for a specific DCP for housing for older people and people with a disability	WSC HO and aged and disability sector



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Appendix I

Risk Analysis of Strategy

Risk is inherent in any project. Wyong Council has a risk management policy that is applied to all major projects. Risks are assessed and documented at the beginning of a project and the information is used to decide whether the project should continue in its designed form or if changes need to be made to minimise the risks.

The process of carrying out a risk analysis involves:

- Identifying the risks - a risk is identified as a potential event that will prevent Council from achieving its objectives;
- Identifying the current controls in place to mitigate the risks;
- Analysing the risks; i.e. how likely is the risk (the frequency or probability of occurring), given the current controls? What are the potential consequences (the impact or magnitude of the effect)?; and
- Identifying the actions to mitigate the risks

Table 1 contains the five levels of likelihood.

Table 1: Likelihood

Level	Descriptor	Description	Probability
A	Almost certain	Almost certain to occur in the current circumstances	>85% chance of occurring
B	Likely	More than even chance of occurring	50-85% chance of occurring
C	Possible	Quite often will occur	21-49% chance of occurring
D	Unlikely	Small likelihood but could happen	5-20% chance of occurring
E	Rare	Not expected to occur	<5% chance of occurring

Table 2 describes the five levels of consequences associated with risks.

Table 2: Risk consequences

Level	Descriptor of Implications of Housing Situation	Implications of Housing Situation to Wyong Shire Residents	Health and Wellbeing in Shire
A	Catastrophic	Nearly all (>85%) of residents are adversely affected through either economic, social or environmental consequences	Death
B	Major	50-85% of residents are adversely affected through either economic, social or environmental consequences	Extensive health and wellbeing implications
C	Moderate	21-49% of residents are adversely affected through either economic, social or environmental consequences	Serious health and wellbeing implications
D	Minor	5-20% of residents are adversely affected through either economic, social or environmental consequences	Health and wellbeing implications
E	Insignificant	<5% of residents are adversely affected through either economic, social or environmental consequences	No significant health and wellbeing implications



Table 3 below combines the likelihood and risk consequences.

Table 3: Risk Ranking Consequences

Likelihood	A	B	C	D	E
A	E1	E3	H6	M10	M15
B	E2	H5	H9	M14	M19
C	H4	H8	M13	M18	L22
D	H7	M12	M17	L21	L24
E	M11	M16	L20	L23	L25

E = extreme high risk, immediate action required

H = high risk, attention needed

M = moderate risk, risk treatment plans to be developed

L = low risk; manage by routine procedures

The following are the main risks identified from the current housing situation in the Wyong Shire:

- 1 Housing is only affordable for medium to high income households.
- 2 High levels of housing stress exist in Wyong Shire.
- 3 The provision of diverse housing types is low with the vast majority of development comprising 4 bedroom houses costing over \$300,000.
- 4 People living on the street.
- 5 High percentage of Wyong households are unable to access appropriate housing.

Table 4 below presents the risk analysis of the five risks identified above. Each risk is considered in terms of its likelihood, the consequences and where it sits in terms of risk ranking. The actions to mitigate the risks come from the recommendations in Chapter 8. The revised assessment reconsiders the risk in terms of the anticipated outcomes of the implementation of the recommended strategies.

Table 4: Risk Analysis

Risk	Likelihood	Consequence	Assessment	Actions to Mitigate	Revised Assessment
1	A	B	E3	Recommendations in 8.1	M13
2	A	B	E3	Recommendations in 8.1, 8.2 and 8.3	L21
3	A	B	E3	Recommendations in 8.3, especially 8.3.4	M13
4	A	C	H6	Recommendation 8.7	M14
5	A	C	H6	Recommendation 8.9	H9