

The Hon Robert Stokes MP  
Minister for Planning and Public Places  
NSW Department of Planning

23 August 2021

Dear Minister Stokes,

### **Regional Housing Taskforce Submission**

Regional Development Australia Southern Inland (RDASI) would like to thank the NSW Department of Planning, The Hon Robert Stokes MP, and The Chair of the Regional Housing Taskforce, Garry Fielding, for the opportunity to provide feedback on the critical issue of housing in Regional NSW.

RDASI understands that through the process of stakeholder and public roundtables, the Regional Housing Taskforce is seeking to investigate planning barriers and develop recommendations to address regional housing issues with a focus on:

- The planning system and other government levers to stimulate housing supply and address housing needs
- Removing impediments within the planning system to the delivery of affordable housing types and housing generally
- Identifying mechanisms within the planning system to facilitate and drive the delivery of housing matched to community needs

RDASI is part of a network of 52 Regional Development Australia Boards Nationally and one of 14 in NSW. RDASI is a Federally funded, non-government organisation encompassing seven Local Government Areas in the South-East of NSW: Wingecarribee, Goulburn-Mulwaree, Upper Lachlan, Yass Valley, Hilltops, Queanbeyan-Palerang and Snowy-Monaro. Our Charter states that we are to facilitate regional economic development outcomes through investment, local procurement, and jobs.

With on-the-ground, intimate knowledge of the South-East region of NSW, RDASI is well placed to assist the NSW Government uncover the issues and opportunities our regions are facing. Housing is in critical short supply and the prices for both housing and land are skyrocketing at a rate never seen before in the property market in regional NSW.

Regional NSW has been experiencing a recent renaissance and regionalisation during Covid has further exacerbated the housing crisis that has been taking place over the last decade.



Some of the critical housing issues and key elements contributing to these issues are:

- The lack of affordable housing options and mixed dwelling structure alternatives for both local purchasers and renters. Housing stock is in critical shortage across the region.
- The lack of social housing availability with 60,000 people of the waitlist, the same number as it has been for 25 years.
- The lack of capacity for ageing in place due to a lack of service provisions or suitable 'down-sizing' opportunities.
- Lack of key worker housing, due to exceptionally low rental vacancies.
- Lack of good quality long term rental properties due to the increase in AirBnB, StayZ and other weekend accommodation investment opportunities.
- Timber supply and construction workforce shortages.
- Housing and land have become the investment of choice, given the low interest rates banks are offering for cash, therefore increasing investors in the market.
- Landbanking across the regions for long term investment purposes and/or tax benefits leaves good quality land holdings, often with the appropriate development approvals unused.
- Regionalisation of metro-dwellers during covid, who've sold their city properties in the \$millions, bring their cashed-up capacities and high-income jobs with them to the regions.
- The repatriation influx of high-income earning Australians during covid who have deciphered the benefits living in regional locations has to offer.
- With International border closures, those who usually spend \$thousands of dollars a year on overseas trips are instead investing in tree or sea escapes from the cities, removing these properties from the long-term rental and local purchaser's markets completely.

Housing supply and affordability issues impact our communities social and economic life in the following ways:

- The recent excessive increases in regional housing prices has pushed the long-term locals, and emerging adult cohort out of the housing market completely. We are seeing celebrities living in multi-million dollar mansions within the same vicinity as families in cars. See the link to a house in Jindabyne that recently sold for \$1mil over its last trade, just three years ago [HERE](#).
- Industry and business expansion is inhibited due to labour shortages because of the lack of available housing. This is even more critical in lower-paid occupations, such as hospitality and aged care and shift work in these sectors deems travel unfeasible.
- Executive level employee attraction into the regions is reduced. Eg: the new CFO of Snowy-Monaro council lived in a motel for 3 months, only to finally move out into a granny flat at the back of an associate's property.



- Reduced affordable and mixed-use housing options for our young people mean they leave the regions to seek independence, employment and further education. Maintaining our most productive population segment should be our focus.
- Reduced affordability and limited down-sizing options for our aging communities forces them to leave their familiar localities to seek smaller properties and additional care services. Enabling aging in place should be our goal.
- The fastest growing segment of the population for Homelessness is the over 55's, especially women. We are seeing increases in retirement dwelling accommodation up to 70% in our regional towns, completely pricing that cohort out of the market.
- Decreased affordability causes increased housing stress, requiring households to spend greater percentages of their income on accommodation.
- The loss of homes during the fires of 2020 has put further stress on our regional housing volumes. Statistically less than 30% of those properties lost will be rebuilt. Contributing factors to this can be PTSD, environmental impacts, increased construction costs, revised legislation and additional restrictions.

The main barriers to delivering housing requirements to meet our regional communities' needs are:

- An inability for State and Local Governments to recognise the needs of regional communities due to biased views and city-centric decision making.
- Limits to mixed development options.
- Demand for smaller developments is increasing, however minimum (large) landholding sizes depletes the capacity for those to be approved in regional settings.
- Water security and sewerage infrastructure improvements must be invested in to build capacity for additional housing developments before approvals are given.
- Development Application processes are different from LGA to LGA which causes confusion, despite the planning instruments being the same.
- With local councillors deciding on new and potential housing developments, personal ideals and subjective opinions often take precedence over appropriate planning and community needs and requirements.
- The above point noted, achieving the delicate balance between required future development prospects and maintaining the 'green-in-between' being the core of the ambient beauty, and the very reason 'regionalisation' has become so popular, is impossible to obtain without well considered strategic planning.
- Reliance on outdated Census data to plan creates long term issues when the data is already out of date by the time it's released.

What can the NSW and Local Governments do via the planning system to better support housing delivery in the regions through the planning system?

- The DA process sequencing be unified across the state to limit confusion and improve development approval timeframes.
- Enable greater flexibility within the standard planning instruments.



- Stronger communication between both levels of Government to masterplan for future population movements - State-wide planning would provide a broader lens and scope than LGA centric planning, however local nuances and features must be understood and used to inform the strategic planning process.
- Rezoning mapped into the masterplan as agreed to between the State and Local Governments to enable land to be released in the quickest possible timeframes when required.
- Planning MUST enable mixed-use dwellings and smaller lot sizes in appropriately zoned areas.
- Within the master planning, scheduling infrastructure investment with a future focus to enable faster housing development approvals to take place once required.
- Councils must be properly remunerated for infrastructure investment.
- Government owned land must be audited and released with mixed-use development capacities within the planning mechanisms.
- Create clearer planning pathways to enable partnerships between councils, community housing providers and financial institutions to build capacity.

Innovative suggestions:

- Time limits set for developments to commence once approvals have been received.
- Quotas on developers to provide a % of affordable/social housing.
- Using prefabricated properties, concrete pre-casting, steel and aluminium trusses.
- Mitigate the risk and decrease the cost impediments to councils to encourage partnerships with private investment to improve the future housing pipeline.
- Within the planning instruments, allow for temporary dwellings such as 'tiny houses' to be erected during times of increased seasonal workforce needs without the onerous DA timeframes and costs.

I wish to commend Minister Stokes for taking the initiative to hear from the people most affected by the housing crisis and seeking localised opinions and suggestions. I also wish to congratulate Mr Garry Fielding on the manner in which he conducted the roundtables in their virtual format.

Kind regards,



Carisa Wells  
CEO  
Regional Development Australia – Southern Inland

