



Clarence Valley Affordable Housing Strategy

2007



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Acknowledgments

Acknowledgements are extended to Clarence Valley Affordable Housing Advisory Committee members for their continued commitment to monthly meetings and their valuable input into the development of the Clarence Valley Affordable Housing Strategy, members include;

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Disclaimer

Every effort has been taken to produce data and information in this strategy that is the most recent and accurate at the time of printing

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Executive Summary

The Clarence Valley Council Affordable Housing Strategy provides an opportunity for Council to respond to the increasing problem of the reduced amount of affordable housing. The Affordable Housing Strategy is an important management tool to provide useful input into Council wide management plans and other plans such as the Economic Development Strategic Plan and the Local Environmental Plan. Council has an important role to play in housing provision, and planning for better local housing, promoting a range of housing that is affordable to households of varying financial capacity, including an adequate supply of housing that is affordable for very low, low and moderate income households. Affordable housing contributes to social, economic and environmental benefits for Council and the community.

Sustainability Assessment

The Clarence Valley Sustainability Initiative is the overarching policy document that drives policy and strategic development within Council. The initiative provides a Sustainability Assessment covering five key elements of ecology, economic, social and cultural, human habitat and infrastructure and governance. Following is a Sustainability Assessment for the Strategy.

Summary Statement

The overall sustainability assessment of the Clarence Valley Affordable Housing Strategy is positive with the Strategy linking with Council's other strategic documents.

Ecology

The Strategy recognises that any future projects will be on appropriately zoned land meeting the requirements of LEP and DCP.

Economic

The Strategy will have a positive impact on economic well being of the community by creating growth of appropriate and affordable housing for key workers, individuals and families. Reducing the housing stress of the low to moderate income earners allows for the remaining income to be used to improve their lifestyle. Secure affordable housing close to services has an additional benefit of encouraging lower income households to participate in the work force and reduces welfare dependency. Having a range of housing choices attracts young entrepreneurial and key workers to stay in the area. The additional housing developments also support the building sector and other local trades.

Social and Cultural

Housing affordability and lack of access threatens community cohesion and can impact on resident's wellbeing, standard of living and their ability to participate in meaningful community life. The Strategy takes into consideration the different disadvantage target groups, community values and has incorporated community participation and involvement through the process.

Human Habitat and Infrastructure

The Strategy supports quality places and spaces with future housing projects being eco-friendly with clever designs using low maintenance material. Good design can reduce

building costs and reduce the ongoing cost of operating and maintaining the home. Access is an important element due to the growing number of people with a disability and the limited number of suitable dwellings. Planning for this disadvantaged target group is essential. It also takes into account heritage and social values.

Governance

The Strategy places Council as a leader in addressing the issue of affordable housing by having a framework that brings together key stakeholders to deal the identified housing issues in Clarence Valley. Council takes the lead role of advocacy and the facilitation housing projects to increase the supply of affordable housing. Accountability and compliance will be met through the monitoring of the Strategy and reporting of milestones and proposed future housing projects to Council. The Affordable Housing Advisory Committee S355 is the vehicle through which Council consults with key stakeholders and interest groups in an open and transparent decision making process.

Guiding Sustainability Principles

The Strategy supports principles of social equity by providing affordable housing for future generation and incorporating continual improvement through the monitoring and review process and developing a best practice model for future use. Thus ensuring the values of the community are maintained for present and future generations.

Residents of Clarence Valley Council have a lower median income than that of NSW which impacts on their ability to tap into the home ownership market, create wealth and lift them out of the poverty cycle. The increasing house prices for both purchase and rental also effect moderate income earners, including key workers. The Clarence Valley Housing Needs Analysis Report has identified different target groups with specific housing needs requiring a range of responses from the whole community to address their needs. These groups include;

- Older people
- People with a disability
- Young people
- Young people leaving a juvenile justice centre
- Adults leaving a correctional centre
- Women and children leaving domestic violence
- Aboriginal people
- Low income single people
- Low income families
- Key workers
- People living in caravan parks

The Clarence Valley Affordable Housing Strategy has a range of actions to address different housing needs, focusing on developing partnerships to collaboratively create more housing options for low to moderate income earners.

Snapshot of Clarence Valley Council LGA based on ABS 2006 Census QuickStats: Clarence Valley (A) (Local Government Area);

- Total dwellings 22,209 - there were 19,411 occupied private dwellings counted in Clarence Valley with 83.4% being separate houses, 4.7% semi detached, row or townhouse, 6.7% flat, unit or apartments, 5.2% other dwellings.
- 44.6% of dwellings are owned, a further 25.9% are being purchased, 23.8% rented, 0.6% other tenure and 5.1% not stated.
- Household income is significantly lower compared to NSW. Median weekly individual income \$333, compared with NSW \$461.
- Median weekly household income \$631, compared with NSW \$1,036.
- Median weekly family income \$781, compared with NSW \$1,181.
- A total population of 48,146 in 2006.
- Significantly higher proportion of the population in the 65 years and over age group (19.3%) compared to NSW (13.8%).
- Median age of persons 44, compared with 37 for NSW.
- A high proportion (17.2%) of one parent families compared to NSW (16.1%).
- A significantly higher percentage of the population identifies as Aboriginal or Torres Strait Islander at 4.8% compared to NSW at 2.1%.
- A higher proportion of population in the 5-14 years age group (14.5%) compared to NSW (13.4%).

Introduction

The Affordable Housing Strategy is an outcome of the 3 year Clarence Valley Affordable Housing Project jointly funded by Department of Community Services (DoCS) through the Area Assistance Scheme (AAS) and the Clarence Valley Council. Objectives of the position are:

Objective 1

- Research housing need and supply, develop a Clarence Valley Housing Needs Analysis Report
- Develop and convene an Affordable Housing Steering Committee
- Consult and work with the Clarence Valley Housing & Support Interagency
- Manage and review current Community Housing provided by Council
 - ◆ Hargraves Villas Wooli
 - ◆ Affordable Housing project between Department of Housing & Council

Objective 2

- Create links and processes between Council's physical land use planning, economic development and social infrastructure development to ensure that Council can continue to facilitate the expansion of affordable housing

Objective 3

- Develop partnerships with the private and community sector to increase affordable housing. Plan and develop housing projects in the Clarence Valley with agreed partners

Affordable Housing Advisory Committee (AHAC)

Terms of Reference

The establishment of an Affordable Housing Advisory Committee oversees the development of the Clarence Valley Affordable Housing Strategy. This committee meets monthly and is made up of members from the community, government and key housing interest groups. Membership consists of representatives from:

- ◆ Department of Housing (DOH)
- ◆ Community Housing
- ◆ Aboriginal Housing Provider
- ◆ CVC Strategic Planning
- ◆ CVC Manager of Caravan Parks
- ◆ CVC Manager of Social Planning and Community Development
- ◆ Councillor
- ◆ Disability Support Services
- ◆ Supported Accommodation Assistance Program Provider
- ◆ Real Estate Agent
- ◆ Financial Services
- ◆ Community Sporting Club

Affordable Housing Advisory Committee members are responsible for:

- ◆ Attending meetings and participating in decision making processes
- ◆ Providing relevant housing research / information to the advisory committee
- ◆ Developing and participating in a consultation process
- ◆ Identifying realistic responses to the issues of affordable housing
- ◆ Prioritising affordable housing strategies
- ◆ Ensuring their agency/community group is kept informed of the progress of the advisory committee
- ◆ Acting on any recommended outcomes of the meeting that relate to their agency/ community group
- ◆ Educating key stakeholders and the general community about affordable housing
- ◆ Defining 'affordable housing'

Role of Community Development Officer (CDO) – Affordable Housing

- ◆ The overall development of the Affordable Housing Strategy
- ◆ Resource the Affordable Housing Advisory Committee
- ◆ Facilitate the development of partnerships and the new affordable housing developments
- ◆ Convene the Advisory Committee meeting and provide an agenda to members at least seven days prior to the scheduled meeting
- ◆ Minute taking and dissemination of minutes to members of the Advisory Committee
- ◆ Maintain contact details of the Advisory Committee members
- ◆ Provide the Clarence Valley Affordable Housing Reference Group and Clarence Valley Housing and Support Interagency with progress reports

Meetings

The Advisory Committee meets monthly during the development of the housing strategy with a review once the strategy is adopted, for the amount of meetings needed to monitor the Strategy - possibly quarterly until the end of the strategy.

If a member on the advisory committee is unable to attend a meeting, their apologies can be sent to the CDO – Affordable Housing prior to the scheduled meeting. It may be appropriate for another person from that organisation to attend on behalf of the member to ensure their participation in meeting discussions.

Recommendations

Recommendations will be made based on majority vote of the members present and any opposing views noted.

The terms of reference were adopted by the Affordable Housing Advisory Committee on Monday 16 October 2006.

Community Participation

The consultation process included;

- The establishment of an Affordable Housing Advisory Committee
- Targeted meetings with key individuals and target groups
- Interviews were conducted with service providers, mapping out details of their service and issues raised by their clients and workers in relation to housing
- An Affordable Housing Forum, held May 2006 and July 2007
- Clarence Valley Housing & Support Interagency Planning meeting, February 2006 & February 2007
- Press releases & Serving the Community Newspaper Articles
- Council Reports
- Social Planning Consultation process including surveys
- Public exhibition of a strategy
- Clarence Valley Council website

Research Methodology

The research has used qualitative and quantitative data collection methods with the primary data collected through community participation from surveys, community consultation, interviews and services consultation meetings. The secondary data was collected from the Australian Bureau of Statistics, Centrelink, Clarence Valley Council's strategic reports, the Local Government Housing Kit; articles from newspapers and through a literature review (see Clarence Valley Housing Needs Analysis Report).

Defining Affordable Housing

The National Housing Strategy (NHS) defined affordable housing as a situation that:

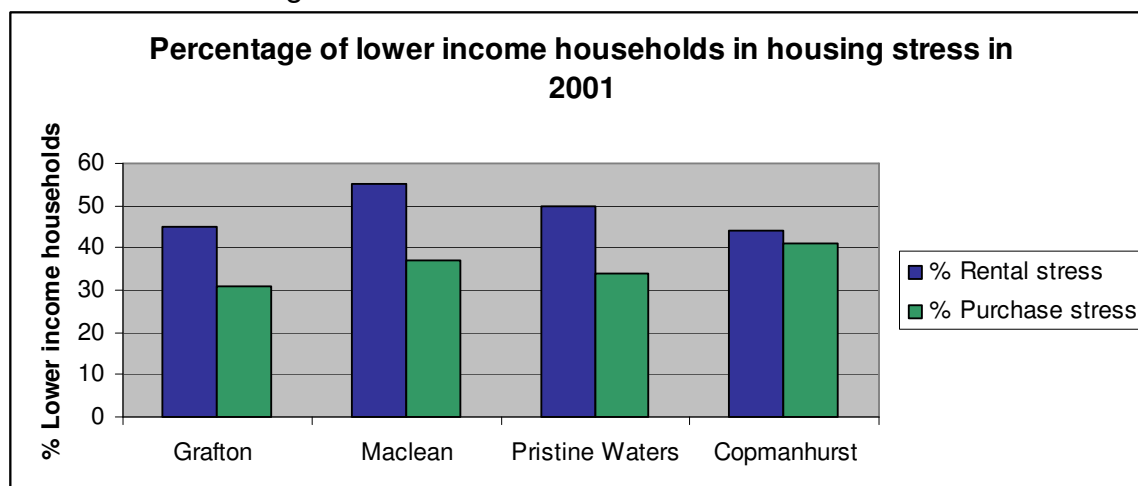
..... conveys the notion of reasonable housing costs in relation to income: that is, housing costs that leave households with sufficient income to meet other basic needs such as food, clothing, transport, medical care and education.

The NHS suggests the most commonly used affordability measure in housing research is the ratio of housing costs to income. They also highlight that those income units in the lowest 40 per cent of gross income distribution could not be expected to pay more than 25 per cent of their income in rent if they were to be left with sufficient funds to meet their other needs adequately and that a more conservative benchmark would be 30%¹

Housing Stress

Housing stress is defined as low to moderate income households paying more than 30% of their income on housing costs.

The data on the following chart is sourced from ABS Census 2001 and The NSW Local Government Housing Kit:



	% in rental	% in home	stress	purchase stress
Copmanhurst (A)			44	41
Grafton (C)			45	31

¹ National Housing Strategy 1991, *The Affordability of Australian Housing Issues Paper No 2*

■ Maclean (A)	55	37
■ Pristine Waters (A)	50	34

The chart illustrates that approximately half of all renters in the Clarence Valley in 2001 were experiencing housing stress, and 30-40% of people paying off their homes were also using more than a third of their income for housing.

Legislation

Environmental Planning and Assessment Act 1979 No 203

Definition

affordable housing means housing for very low income households, low income households or moderate income households, being such households as are prescribed by the regulations or as are provided for in an environmental planning instrument.

The Local Government Act in section 5 and section 8 requires local authorities to address affordable housing in the planning of their communities.

The objects of the Environmental Planning and Assessment Act, 1979 (s5) include;

(a) to encourage:

(1) the proper management development and conservation of towns and villages for the purpose of promoting the social and economic welfare of the community and a better environment.

(viii) the provision and maintenance of affordable housing

State Environmental Planning Policies

State Environmental Planning Policy (SEPP) (Seniors Living) 2004

This policy 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, well located, and consistent with the character and feel of local neighbourhoods.

State Environmental Planning Policy (SEPP) 9: Group Homes

This policy aims to ensure a sufficient supply of supported accommodation by making group homes permissible in residential areas subject to controls contained within the policy.

State Environmental Planning Policy (SEPP) 21: Caravan Parks

This policy ensures that development consent is required for new caravan parks and camping grounds and for additional long term sites in existing caravan parks.

State Environmental Planning Policy (SEPP) 36: Manufactured Home Estates

This policy aims to ensure that manufactured home estates (MHEs) are well designed and well serviced, and situated in appropriate locations. It applies to Gosford, Wyong, and all local government areas beyond the Sydney region. The policy enables MHEs to be established on land where caravan parks are permitted, subject to criteria relating to location, access and the provision of services. The SEPP also permits, with consent, the

subdivision of estates by community title or by lease up to 20 years. There is provision for a Council to be excluded from the SEPP if their LEP is consistent with the Section 117 Direction on Manufactured Home Estates and Caravan Parks (see below).

State Environmental Planning Policy No. 65 – Design Quality of Residential Flat Development (SEPP 65)

This SEPP is intended to improve the design quality of residential flat developments by introducing a series of design principles and providing for the establishment of Design Review Panels to provide independent expert advice to Councils on applications for residential flat developments. In assessing residential flat developments under the SEPP, planning authorities are required to consider Design Principle No. 9 – “Social Dimensions”, which states that:

“Good design responds to the social context and needs of the local community in terms of lifestyles, affordability, and access to social facilities.

New developments should optimise the provision of housing to suit the social mix and needs in the neighbourhood or, in the case of precincts undergoing transition, provide for the desired future community.”

State Environmental Planning Policy No. 70: Affordable Housing (Revised Schemes) (SEPP 70)

This SEPP identifies a need for affordable housing in a limited number of local government areas (Willoughby, and parts of the City of Sydney) and amends relevant local and regional environmental planning instruments to enable levying of development contributions to provide for affordable housing. If these provisions were to be extended to other areas of NSW, an amendment to the SEPP would be required.

State Environmental Planning Policy (SEPP) 10: Retention of Low Cost Rental Accommodation

This policy aims to retain existing sources of low-cost accommodation (boarding houses, hostels and low-cost rental dwellings), within the Greater Metropolitan region of Sydney, Newcastle and Wollongong. The policy requires the consent of the relevant council and the concurrence of the Director-General of Planning for the demolition, change of use, alteration and strata subdivision of boarding houses and the alteration and strata subdivision of low-rental residential flat buildings. Where consent is granted, mitigation strategies to address the impact of the loss of low-cost housing are often required.

Direction No. 18: Manufactured Home Estates and Caravan Parks

This Direction aims to ensure that councils retain existing zones of land that permit caravan parks, when preparing new Local Environmental Plans, and specifies additional provisions for caravan parks and manufactured home estates.

Direction No. 21: Residential Zones

This Direction contains requirements governing the creation, alteration, or removal of a residential zone boundary or provision. A central requirement is that draft local environmental plans should not reduce the permissible residential density of a zone, rather, as much as possible, provide for a variety of housing forms and increase permissible residential density of land.

Regional planning

Regional planning in NSW includes the development of strategic regional policies processes as well as formal statutory instruments. Currently each region in NSW is undergoing, or about to commence, a strategic planning process, which will have implications for the formulation of local housing policy.

The recent release of the Draft Mid North Coast Regional Strategy by the NSW Department of Planning provides for significant growth for the LGA in the future. The Strategy recognises Grafton as the Clarence sub-region's major regional centre along side Coffs Harbour, Port Macquarie and Taree, with Maclean named as a major town, and recognises that the sub-region must plan for growth and development whilst balancing the need for the protection of sensitive and distinctive environmental and cultural landscapes.

Background

The data for the following profile of Clarence Valley is from several sources: the Clarence Valley Council's *ID Profile*, the ABS 2001 & 2006 *Population and Housing Census* and the Centre for Affordable Housing's *NSW Local Government Housing Kit*. It should be noted that there has been some differences in the data presented by the three sources due to changes in the boundary of the local government area (LGA) and also the amalgamation of the Grafton, Maclean, Copmanhurst and Pristine Waters LGAs into Clarence Valley LGA.

The Clarence Valley Council area is predominantly rural, with expanding residential areas. It encompasses approximately a third of the Northern Rivers region with a total land mass of 10,440 square kilometres, of which a significant proportion is National Park, State Forest and nature reserves, including beaches, rainforests, mountains and rivers. Much of the rural area is used for forestry, agriculture and grazing, including sugarcane growing and beef cattle. Fishing is also an important industry. In more recent years tourism has become a major industry, especially along the coast.

The original inhabitants of the Clarence Valley area were the Bundjalung, Gumbaingirr and Yeagl Aboriginal groups. The Clarence River forms the boundary between the Bundjalung Nation to the north and the Gumbaingirr and Yeagl Nations to the south. The Clarence Valley was the site of the first European settlement of the NSW North Coast which dates from the 1830s when cedar timber cutters arrived. A village was established in Grafton from the 1850s, developing as the main town of the area. Land was used mainly

Settlement is based around the inland city of Grafton and the coastal townships of Yamba, Maclean and Iluka, with numerous small villages and rural localities along the coast and inland. The mighty Clarence River winds through the LGA and a large percentage of the coastline is preserved in State National Parks.

The Commonwealth and State Housing Agreement currently provides for affordable housing through funding to the different jurisdictions and government housing authorities. In NSW, the Department of Housing (DOH) provides public housing that is affordable with a rental amount based on percentage of income. Over the last 10 years the amount of funding has reduced significantly, therefore limiting growth in public housing. In 2006

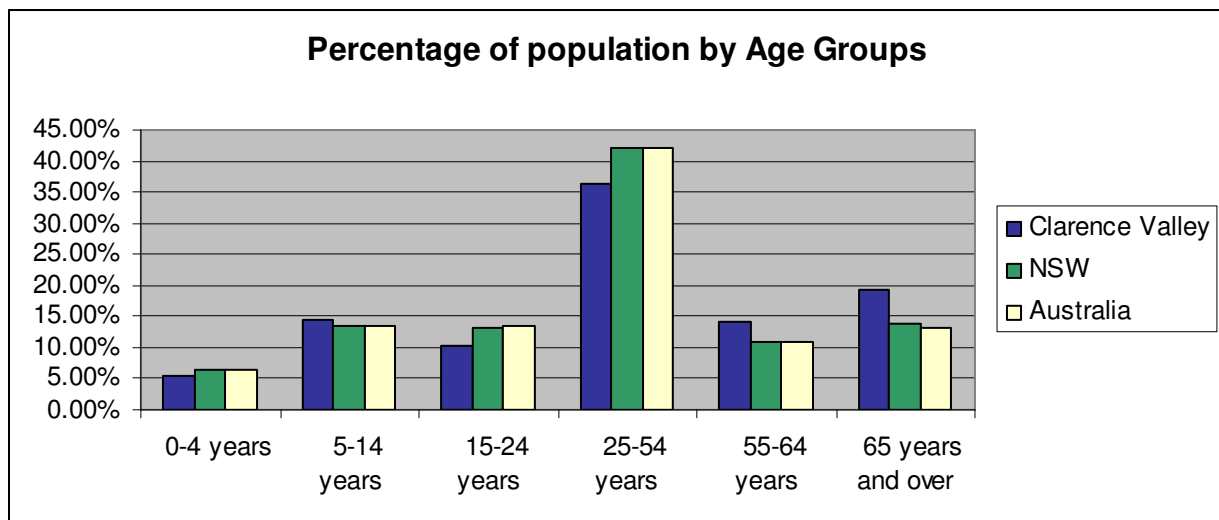
DOH rolled out a policy reform *Reshaping Public Housing*, changing the criteria for public housing. DOH is now focusing on housing for the most disadvantaged members of the community, and no longer providing 'tenure for life' for new tenants. These changes will also add to the pressure of the private rental market that currently has a vacancy rate of less than 2%.

Demographic and Housing Characteristics

In the 2006 Census (held on 8th August 2006), there were 48,146 persons usually resident in Clarence Valley (A) (Local Government Area): 49.6% were males and 50.4% were females. Of the total population in Clarence Valley (A) (Local Government Area) 4.8% were Indigenous persons, compared with 2.1% Indigenous persons in NSW and 2.3% Indigenous persons in Australia.

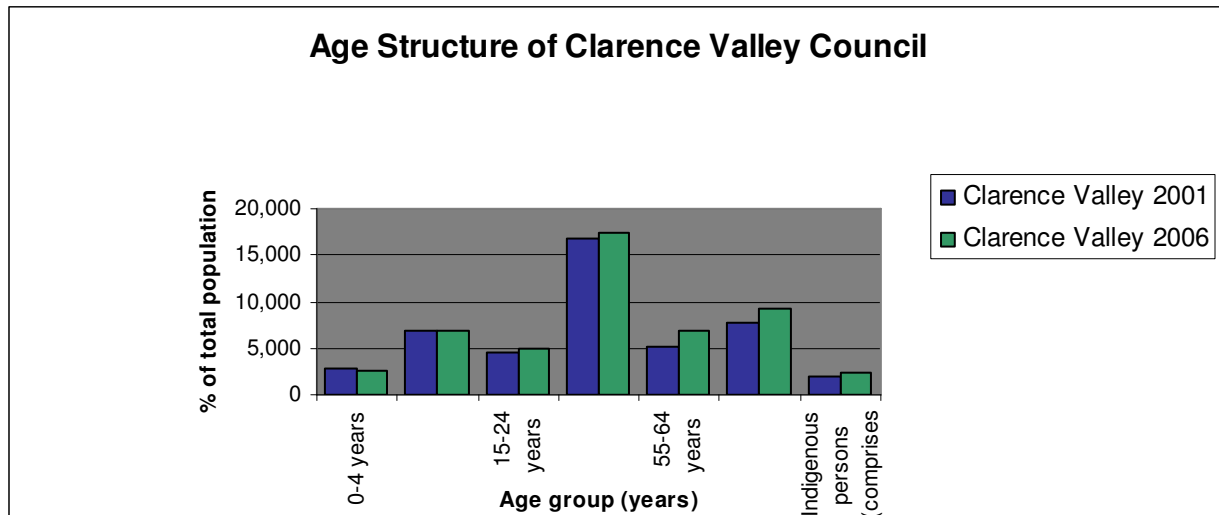
The following chart shows data from the 2006 Census population usually resident in Clarence Valley (A) (Local Government Area);

- 19.8% were children aged between 0-14 years
- 33.4% were persons aged 55 years and over
- The median age of persons in Clarence Valley was 44 years, compared with 37 years for persons in NSW and Australia



The population of Clarence Valley Council has a significantly higher proportion of older people compared with NSW and Australia;

- 14% were persons aged 55 – 64 years, compared with 11% for NSW and Australia
- 19.3% were people aged 65 years and over, compared with 13.8% for NSW and 13.3% for Australia
- The other age group that is higher than that of NSW or Australia is children aged 5 – 14 years 14.5% compared to 13.4% NSW and 13.5% for Australia



There has been a 33.3% increase in the 55 – 64 years age group from 2001 to 2006 and an 18.8% increase in the age group 65 years and over in the same period.

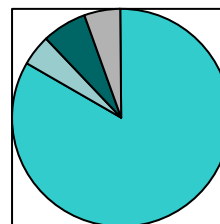
A detailed description of Clarence Valley demographics is documented in the Clarence Valley Housing Needs Analysis Report and additional demographics can be obtained from the Clarence Valley Council Social Plan- 2006-2009, or on the Council website's Community Profile – www.clarence.nsw.gov.au

Housing Market

In 2006 the total amount of dwellings for Clarence Valley according to ABS 2006 Census was 22,209, 19,411 occupied private dwellings counted in Clarence Valley with:

Percentage of dwelling type

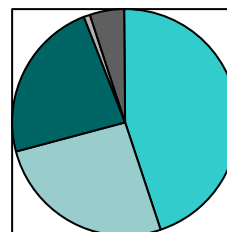
- 83.4% being separate houses
- 4.7% semi detached, row or townhouse
- 6.7% flat, unit or apartments
- 5.2% other dwellings



- Separate houses
- semi detached
- Flats/units
- other dwellings

Percentage of tenure type

- 44.6% of dwellings are owned
- 25.9 % being purchased
- 23.8% rented
- 0.6% other tenure
- 5.1% not stated



- Owned
- Being purchased
- rented
- Other tenure
- Not stated

In Clarence Valley (A) (Local Government Area), of the occupied private dwellings being rented, 44.0% were rented from a real estate agent, 10.1% were rented from a State or Territory housing authority and 41.5% were rented from other landlord type. In comparison, in New South Wales, of the occupied private dwellings being rented, 56.6% were rented from a real estate agent, 15.6% were rented from a State or Territory housing authority and 25.0% were rented from other landlord.

Social housing is made up of public, aboriginal and community housing, currently at 3.4% of total residential stock for Clarence Valley. DOH is now housing the most disadvantaged members of the community, people with high and complex needs. Their current stock is not always appropriate or doesn't meet the needs of clients, and access, type of accommodation and location are also issues. For example, DOH is currently head leasing 29 properties from the private rental market in order to meet the needs of its clients with a disability.

Aboriginal housing in Clarence Valley is inadequate to meet the needs of the 4.8% of community that identify as Aboriginal or Torres Strait Islander. There are 7 Aboriginal housing providers managing 139 residential properties in Clarence Valley and all providers have waiting lists that continue to grow. The Aboriginal Housing Office has 30 properties which brings the total to 169 properties in the Clarence Valley - 0.8% of all housing stock. The private rental market is difficult to access due to discrimination and a lack of rental references, resulting in housing disadvantage for the aboriginal community.

The community housing sector in Clarence Valley currently has 2 registered housing providers and several unregistered providers managing a total of 174 properties, 0.8% of all housing stock. Additional growth has been through stock transfer of 37 capital properties and 13 leasehold properties from DOH to Office of Community Housing (OCH) and the properties are now managed by a registered housing provider. A joint project between Caringa Enterprises and OCH - a cluster of 6 units - is currently under construction. Growth in the community housing sector is essential to ensure viability, as the sector still faces many challenges relating to eligibility criteria, rent setting and income to manage the service as well as to maintain housing stock.

Future Growth

NSW *Planning for the Future: Community Housing*, the Minister for Housing released the five year strategy for growth and sustainability 2007 -2012 in March 2007. *Planning for the Future* recognises the importance of community housing as part of the NSW social housing system, and provides a blue-print for how the sector's role can be supported and strengthened. This strategy has a single target to guide priority setting. This ambitious target will continue a 10 per cent growth in community housing each year. Growth will partly come from stock being transferred from public housing to community housing management, and an increase in funding for community housing new supply. Importantly, it will also come from real growth – new properties – as community housing providers borrow to invest in more housing, leveraging the government's investment. Offering long term leases over community housing properties to provide a predictable income stream to support debt finance to build affordable housing².

In the next five years Department of Housing are looking at several new housing projects in Clarence Valley;

- DA approved 8x 2br units, Norrie St South Grafton
- DA stage 3x 2br units, Fleming St South Grafton
- Housing projects for Orara St & another 2 sites
- 3x 1br units for youth accommodation
- Partnership with Office of Community Housing
- Redevelopment of 2 sites for Social Housing

² NSW *Planning for the Future: Community Housing*: Five year strategy for growth and sustainability 2007 -2012, Department of Housing 2007

DOH will roll out a Maintenance Reform Package, upgrading the standard of public housing.

The Draft Mid North Coast Regional Strategy identifies Grafton as a major regional centre with Maclean being named as a major town. An additional 7000 dwellings is expected for the Clarence subregion, with potential residential growth in Clarenza and Junction Hill for Grafton area and Gulmarrad in the Maclean area. A requirement of the Regional Strategy is that local government areas prepare a local growth management strategy for their area incorporating the Settlement Strategy principles³.

The Clarence Valley Settlement Strategy is a rural and urban land release strategy released in March 1999. This strategy brought together the previous local government areas of Clarence Valley Council (Grafton, Copmanhurst, Pristine Waters and Maclean) to provide a framework for the future settlement pattern with the Clarence River catchment with the aim to:

- ◆ Accommodate future growth in suitable locations so as to minimise social, environmental and economic costs to State and local government, and the wider community;
- ◆ Build strong, self-reliant communities emphasising well-being and lifestyle;
- ◆ Acknowledge and protect the natural environment and ecological processes;
- ◆ Maintain and enhance biodiversity;
- ◆ Preserve and enhance the Clarence Valley's urban, rural and scenic character; and
- ◆ Build on the role of Grafton as the sub-regional centre and optimise the level of services offered.⁴

Statement of Issues

The overall picture for Clarence Valley residents is that the low income of the area and the increased cost of housing over the last five years place many residents at a disadvantage when trying to meet their most basic needs of shelter. Housing affordability and lack of access threatens community cohesion and can impact on residents' wellbeing, standard of living and their ability to participate in meaningful community life.

The housing market boom has pushed up housing prices out of the reach of low to moderate income earners, therefore forcing people to rent for longer and placing stress on the private rental market. Long public housing waiting lists and the recent public housing reform and change to policy for the eligibility criteria will also continue to place stress on the private rental market. 2001 Census data and Clarence Valley Economic Development Strategic Plan identify the population characteristic of Clarence Valley as being;

- Older population
- Higher dependency ratio
- Low labour force participation
- Higher rates of part-time employment

³ Draft Mid North Coast Regional Strategy 2006 -31, NSW Government Department of Planning 2006

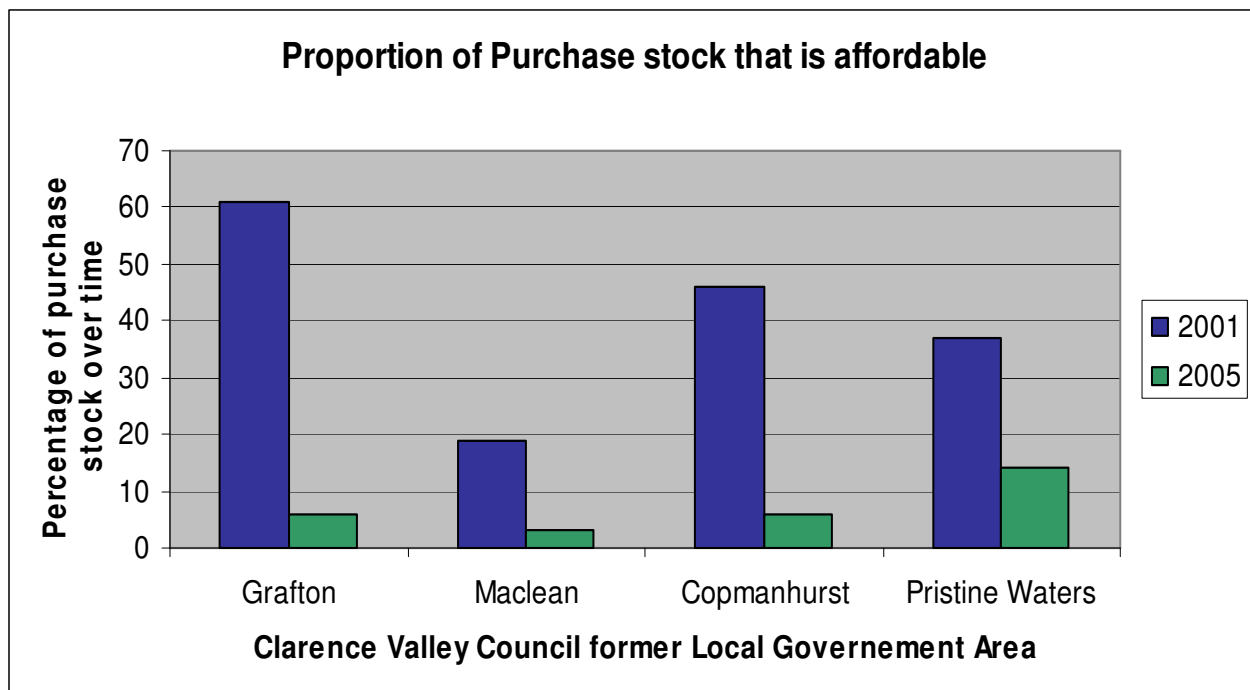
⁴ Clarence Valley Settlement Strategy Northern Rivers Regional Strategy, Copmanhurst Shire, Grafton City, Maclean Shire, Nymboida Shire and Ulmarra Shire Council in association with Department of Urban Affairs and Planning March 1999

- Significantly higher unemployment
- Significantly higher youth unemployment
- Significantly lower household income

Other contributing factors supported by the 2006 ABS Census include;

- High proportion of one parent families 10.6% compared to 8.6% NSW
- Higher proportion of Aboriginal or Torres Strait Islanders, 4.1% compared 1.9% NSW, MNC 3.8% and Northern Rivers 3.1%
- Aging population - higher portion of older people in the age group 60 -84 years 22.3% compared to 15.9% NSW
- Trend in smaller household sizes
- The need for more housing types

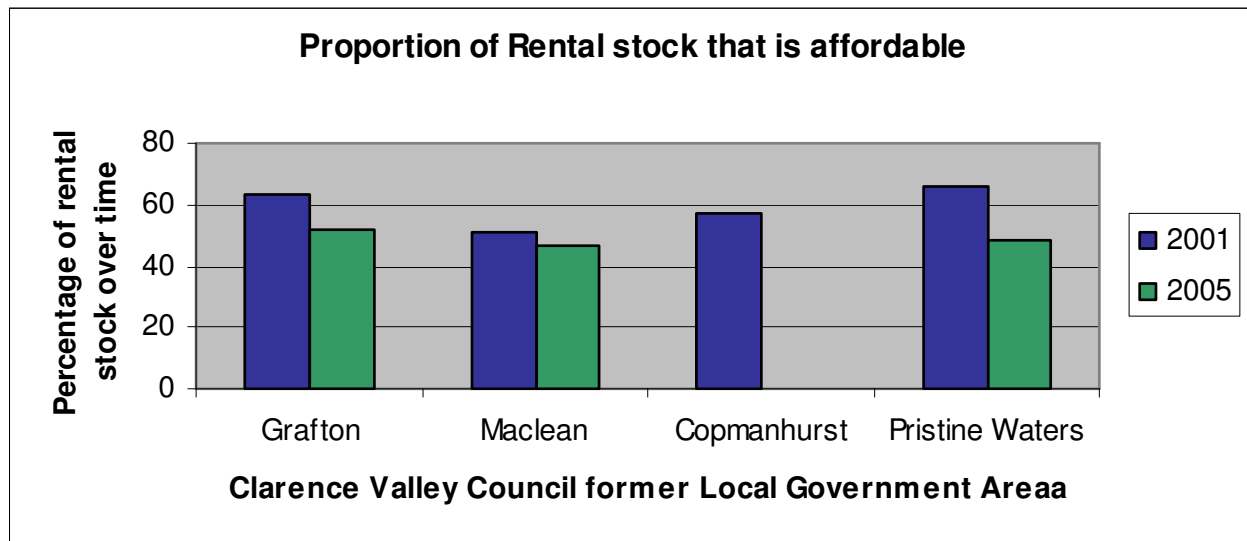
The 2006 ABS Census continues to identify a significantly lower median household income for Clarence Valley compared to NSW with many households in the lowest and medium lowest income quartiles. This places the great Australian dream of owning your own home out of reach of many, and reduces their ability to create wealth. Many of these households are struggling to negotiate the private rental market as they are competing with moderate income earners in accessing the reduced amount of affordable housing stock. More pressure is placed on the private rental market due to the increased cost of housing. The charts below illustrate the changes to the availability of affordable housing over time.



In 2001, 61% of purchase housing stock in Grafton was affordable. This decreased to a low of 6% of purchase stock being affordable in December 2005. In 2001 19% of the

purchase stock in Maclean was affordable, decreasing to a very low 3% in December 2005.

The median sales price for a dwelling in 2001 was \$137,000 increasing to a median sales price \$279,000 in 2006.



Note: Affordable rental is based on bonds lodged in the last two quarters of the year. A rental property is regarded affordable if the rent is less than 30% of the 40th percentile census household income. % of affordable rental is reported only where 30 or more new bonds were lodged.

- In 2001 63% of the rental stock in Grafton LGA was affordable reducing to 52% in Dec 2005.
- In 2001 51% of rental stock in Maclean LGA was affordable reducing to 47% in Dec 2005
- In 2001 51% of rental stock in Pristine Waters LGA was affordable reducing to 48% in Dec 2005
- In 2001 57% of rental stock in Copmanhurst LGA was affordable reducing to 43% in Dec 2003, % unavailable for 2005 due to less than 30 new bonds were lodged
- The median weekly rent for a 3 bedroom house in 2001 was \$160 increasing to \$210 for a 3 bedroom house in 2006

Data for the Clarence Valley shows the large proportion of 83.4% of dwellings are separate houses. This data clearly indicates the need to provide more choice in the Clarence Valley housing market. Increasing medium density housing in some areas would meet the needs of our changing community and the trend of smaller household size. The Draft MNC Regional Strategy also identifies that population changes will impact on the type and availability of dwellings that will be needed.

Research and data has plainly identified the following different target groups as disadvantaged and in need of affordable housing;

- Older people
- People with a disability
- Young People

- Young people leaving a juvenile justice centre
- Adults leaving a correctional centre
- Women and children leaving domestic violence
- Aboriginal people
- Low income single people
- Low income families
- Key workers
- People living in caravan parks

Prioritisation of Issues

A planning workshop was held with the Affordable Housing Advisory Committee (AHAC) members to work through the issues identified in the Clarence Valley Housing Needs Analysis Report. The overarching problem identified was the low supply of affordable housing with the following contributing factors:

- Cost of land
- Reluctance to rent to low income earners
- Development costs, the increase in trades costs
- Council contribution and development charges
- Sea changers, impact on price of housing
- Perception of no capital gain
- Cost of upgrading rental stock
- Perception that renting is high risk
- Availability of finance for semi rural locations and isolated communities
- No growth in \$ in public housing
- Planning constraints, no incentives
- Supply not kept up with demand
- Lack of knowledge of 1 -2 bedroom units in town
- Poor profit return on 1-2 bedroom units for low income tenants
- First Home Owner incentive, high number of first home buyers taking up lower priced houses

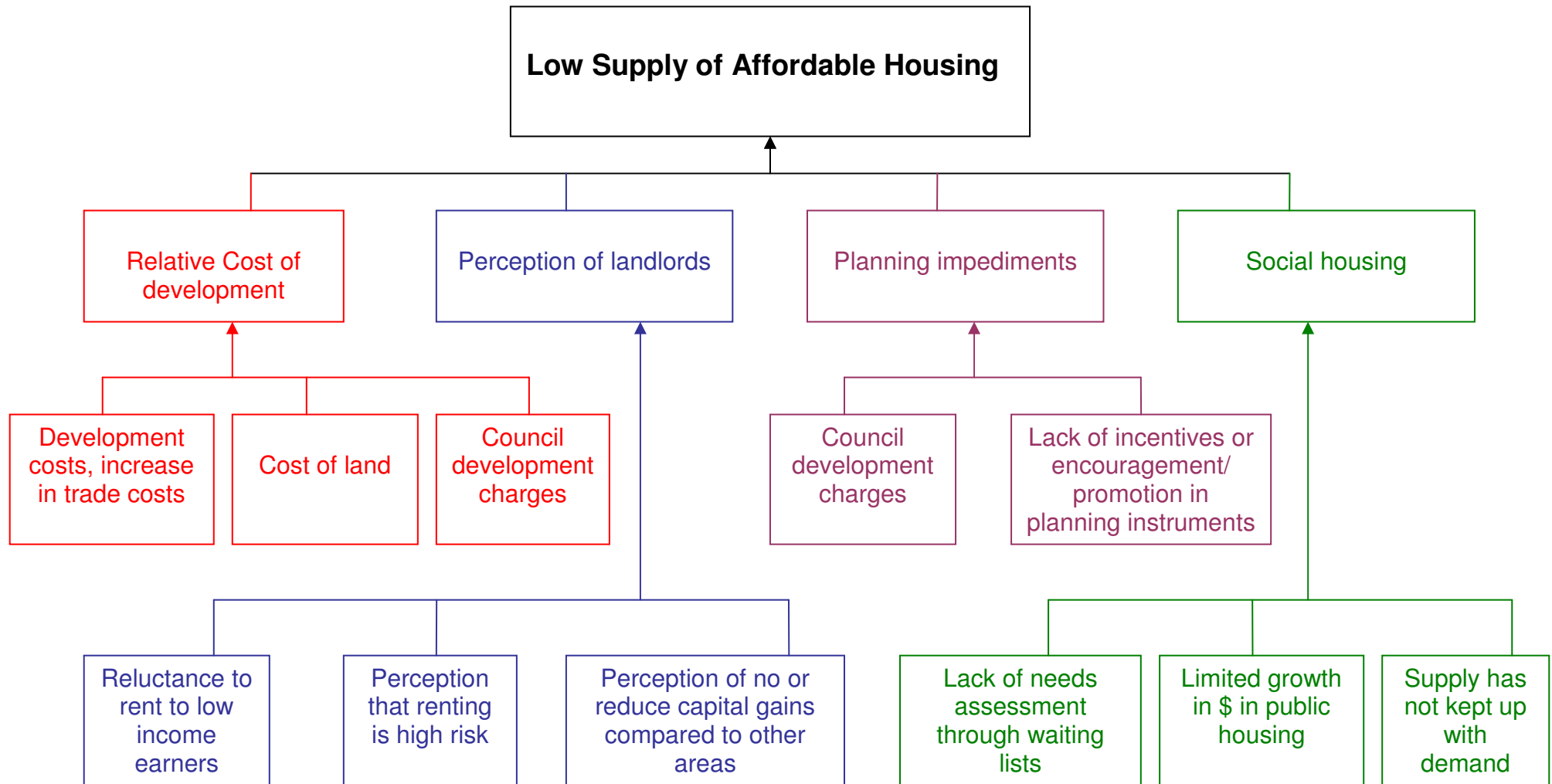
Contributing factors were then clustered in eight identified issues. The group then worked on turning the problems into goals.

	Problem / Issue	Goal
1	Landlord/financial institutions perception of risk, renting to low income tenants	Guaranteed rental market or perception of landlord reversed
2	Cost of developing housing stock	Cost of development is affordable
3	Low return on investment	Investors are satisfied with return on investment
4	Insufficient growth in social housing	Sufficient growth in social housing

	Problem / Issue	Goal
5	Sea change increasing the cost of housing	Limit the impact of sea change
6	Competing demands, 1 st home buyers taking low end of market	More affordable housing stock available
7	Planning impediments	Good planning controls
8	Availability of finance	Financial incentives

Prioritisation of Issues

Members then selected the top four priorities, the final top four priorities were identified by the number of times an issue was selected. Following is the result of the prioritising exercise:



Housing Goal

Increase access to affordable housing in the Clarence Valley by: collaboratively expanding social housing; reviewing Clarence Valley Council's planning controls; changing the perceptions of landlords and investors; and promoting the advantages of the relative cost of developments in Clarence Valley in comparison to other local government areas.

Guiding Principles

Principles underlying the Clarence Valley Affordable Housing Strategy

1. **Commitment to providing access to housing that is appropriate and affordable** – all residents of an area should be able to access appropriate and affordable housing
2. **Openness and transparency** – all interest groups should be engaged in open debate about how housing problems are to be defined, what issues are to be addressed and prioritised, what solutions are to be considered, what recommendations are to be made and what solutions are to be implemented
3. **Fairness and equity** – any costs and benefits of policy outcomes are to be fairly distributed among all residents or all interest groups, with an emphasis on ensuring that the least well-off or those most disadvantaged receive appropriate priority
4. **Efficiency and effectiveness** – public resources are applied in such a way as to maximise beneficial outputs and outcomes per dollar expenditure
5. **Simplicity and ease of administration** – policy recommendations should be simple to implement and administer and the costs of administration held in check
6. **Sustainability** – social, economic or environmental. To provide housing in a way that contributes to the development of inclusive and sustainable communities and is compatible with the goal of environmental sustainability
7. **Partnership** – a collaborative approach by the community, private sector and all levels of government to addressing the housing needs across Clarence Valley

Clarence Valley Affordable Housing Strategy Action Plan

Strategy: Increase access to affordable housing in Clarence Valley by collaboratively expanding social housing

	Priority	Action	Performance Indicators	Lead Officer	Other Resources	Time Frame
1.	High	Educate stakeholders about social housing issues and goals and affordable housing	Increased level of support from stakeholders for affordable housing	CDO – A/H	AHAC members	Ongoing
2.	High	Identify the real need for social housing (public, community and aboriginal) in the Clarence Valley	Establish and maintain an accurate and up to date waiting list for social housing in the Clarence Valley	Social Housing Providers	CDO – A/H, AHAC members	Ongoing
3.	High	Advocate for growth in public, community and aboriginal housing in Clarence Valley based on the identified need	Increase in the number of social housing properties in Clarence Valley	CDO– A/H, NRSDC	Social Housing Providers, AHAC members	Ongoing
4.	High	Develop a Council land & assets register, identifying land which is suitable for affordable housing	Register available land for affordable housing with suitable criteria attached	CDO-A/H,	CVC - Planner	Nov 2007
5.	High	Continue the Affordable Housing Advisory Committee meetings	Meetings held and partnerships developed	CDO-A/H	AHAC members	Review July 2008

Strategy: Increase access to affordable housing in Clarence Valley by collaboratively expanding social housing

	Priority	Action	Performance Indicators	Lead Officer	Other Resources	Time Frame
6.	High	Facilitate public private partnerships to develop affordable housing	Partnerships developed between <ul style="list-style-type: none"> ■ Aboriginal Social Housing provider with NSW Aboriginal Housing office ■ CVC with local housing providers/OCH/DOH ■ Public/private More community housing managed by a registered housing provider ■ Create a debt equity affordable housing project through the Centre for Affordable Housing 	CDO-A/H	Social Housing Providers, AHAC members, builders, developers, investors, commercial lenders, banks and building societies,	Ongoing
7.	High	Formalise partnerships	Formal MOU and service agreements signed to implement the strategy	CDO-A/H	Social Housing Providers, AHAC members, builders, developers, investors, commercial lenders, banks and building societies	Nov 2007-Ongoing

Strategy: Develop planning mechanisms that provide opportunities for affordable housing

	Priority	Action	Performance Indicators	Lead Officer	Other Resources	Time Frame
1.	High	Prepare an affordable housing LEP/DCP that requires the provision of affordable housing that creates inclusive communities	Amended LEP and other planning documents (DCP, SIA) which encourages the provision of affordable housing	CVC Strategic Planner	CDO-A/H, CVC staff	June 2008
2.	High	Investigate the scope of a developer contribution system to achieve affordable housing outcomes	Housing affordability issues are considered in developer contribution plans and agreements	CVC Strategic Planner	CVC Staff	June 2008
3.	High	Review and identify appropriate planning policies that encourages and supports the development of a range of housing choices and tenure for low income residents of the area	Local planning policies do not unnecessarily inhibit the development of affordable housing	CVC Strategic Planner	CVC Staff	June 2008
4.	High	Advocate with State Government for appropriate state planning policies which support local affordable housing strategies	Met with State planning	NRSDC, CVC CDO-A/H	State Planning, Other Regional LGA	Ongoing
5.	High	Ensure caravan parks provide a significant proportion of permanent accommodation; at least maintain current permanent status	Amended LEP and other planning documents(DCP, SIA)	CVC CDO-A/H,	CVC Manager Caravan Parks	June 2008

Strategy: Change perceptions of landlords and investors

	Priority	Action	Performance Indicators	Lead Officer	Other Resources	Time Frame
1.	Medium	Investigate the value of a Council incentive package to encourage the provision of affordable housing by private developers	Investigation completed	CDO-A/H	CVC Staff	June 2008
2.	Medium	Develop an incentive rental package to reduce the risk of renting to low income or disadvantage tenants	Incentive rental package in place and distributed to landlords and investors	CDO-A/H	AHAC members	June 2008
3.	High	Affordable Housing Forum <ul style="list-style-type: none"> ■ Developing a promotional presentation on the advantages /benefits of affordable housing ■ Education on the benefits of addressing affordable housing ■ opportunities for future developments ■ Models of affordable housing 	Stakeholder attendance at affordable housing forum	CDO-A/H	AHAC members	July 07

Strategy: Promote the advantages of the relative cost of developments in Clarence Valley in comparison to other local government areas

	Priority	Action	Performance Indicators	Lead Officer	Other Resources	Time Frame
1.	Medium	Collate salient data to support the relative advantage of the Clarence Valley into an accessible form	Brochures, website, media, etc available	CDO-A/H	AHAC members	June2008
2.	Medium	Promote the relative advantage to landlords and investors	Accessing the stakeholder networks to do promotion/distribution	CDO-A/H	AHAC members	Ongoing

