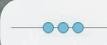


Griffith Housing Strategy 2019 Background Paper

This strategy has been prepared for Griffith City Council
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1 Executive Summary

1.1 Background to Project

Griffith City Council has engaged Judith Stubbs and Associates to prepare the *Griffith Housing Strategy 2019* to assist Council in understanding the current need for affordable housing, and issues that may influence the delivery of affordable housing in the future. The project seeks provide economic and social benefits to Griffith that flow to the region as a whole. In particular, the *Strategy* will provide an evidence-based approach to increasing affordable housing for key target groups, focusing on strategies likely to be most effective in the local context.

This *Background Paper* provides detailed researched on current and future demographic trends and projections; a detailed analysis of the housing market and affordable housing need by target group; an analysis of the economic, land supply and planning context; a preliminary analysis of potential affordable housing partnership sites with respect economic feasibility; and planning mechanisms and amendments to existing controls required to ensure more efficient market supply of diverse, low cost and affordable housing options.

An earlier draft of the *Background Paper* formed the basis of consultations with key local and regional stakeholders and presentations to elected representatives to inform them of the issues and understand their views with regard to potential strategies, and to guide further work with Council staff to develop the most effective strategies in the local context. This updated *Background Paper* reflects issues raised during these consultation.

The *Background Paper* is accompanied by a *Case Study Booklet* that sets out a range of practical examples of good practice in planning, development and design of affordable and diverse housing from previous research and practice undertaken by Judith Stubbs and Associates.

The *Background Paper* forms the basis of strategies and mechanisms that are the focus of the forthcoming *Housing Strategy*. There may be some slight differences in the strategies and mechanisms discussed in the body of this *Background Paper* and the final strategies proposed due to clarifications or issues raised during consultations on an earlier version of the *Paper*, as well as further discussions with Council, but these are not substantive.

1.2 Purpose of the Griffith Housing Strategy

The purpose of developing the *Griffith Housing Strategy* is to determine the role Council should play to ensure the residential land and housing markets in Griffith deliver on objectives of:

- Affordability
- Diversity
- Accessibility
- Innovative Design.

It will also provide direction on effective strategies for addressing the chronic rental shortage which is constraining local businesses that are finding it difficult to recruit staff due to affordability and accessibility issues. Implementation of the *Griffith Housing Strategy 2019* will thus provide valuable economic and social benefits to the City and region.

1.3 What is Affordable Housing?

‘Affordable housing’ also has a **statutory definition** under the *NSW Environmental Planning and Assessment Act 1979 (NSW)*, being housing for very low, low or moderate income households. *SEPP 70* defines ‘very low-income’ households as those on less than 50% of median household income; ‘low-income’ households’ as those on 50-80% of median household income, and ‘moderate-income’ households as those on 80-120% of median household income for ‘Rest of NSW’. Housing is deemed to be ‘affordable’ to these groups where they pay **no more than 30% of gross household income** on their housing costs.

‘Affordable housing’ **products** include the full range of housing for various target groups. This can include housing that is **subsidised** in some way, from special needs accommodation such as group homes and social (community and public) rental housing for those most disadvantaged in the housing market; to ‘key worker’ (discount market rent) housing, and assisted or subsidised purchase for households who still need some assistance to enter the home ownership market. In *some* areas or housing markets, it also includes housing **delivered through the private market**, typically smaller, lower cost accommodation such as boarding houses, smaller apartments, secondary dwellings and the like.

The following table provides benchmarks that are used in this study when referring to ‘affordable housing’, in 2018 dollars (Dec Quarter), and are consistent with relevant NSW legislation.

Table 1.1: Relevant Affordable Housing Income and Cost Benchmarks

	Very low-income household	Low-income household	Moderate-income household
Income Benchmark	<50% of Gross Median H/H Income for Rest of NSW	50-80% of Gross Median H/H Income for Rest of NSW	80%-120% of Gross Median H/H Income for Rest of NSW
Income Range (2)	<\$609 per week	\$610-\$975 per week	\$976-\$1,462 per week
Affordable Rental Benchmarks (3)	<\$183 per week	\$184-\$293 per week	\$294-\$439 per week
Affordable Purchase Benchmarks (4)	<\$188,000	\$188,001-\$300,000	\$300,001-\$455,000

Source: JSA 2019, based on data from ABS (2016) Census indexed to December Quarter 2018 dollars

(1) All values reported are in December Quarter 2018 dollars

- (2) Total weekly household income
- (3) Calculated as 30% of total household income
- (4) Calculated using ANZ Loan Repayment Calculator, using 8 April 2019 interest rate (4.80%) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

1.4 Why is Affordable Housing Important?

Anyone in the community could need affordable housing. This includes a young person seeking to live near where they grew up, a recently separated or divorced person with children for whom conventional home ownership may no longer be economically viable, households dependent on one (or even two) low or median waged, key worker jobs, or an older person on a reduced retirement income, including after the death of a spouse.

Lack of affordably priced housing not only affects the quality of life of individual families, who may be sacrificing basic necessities to pay for their housing. It also has a serious impact on employment growth and economic development. The loss of young families and workers in lower paid essential service jobs can adversely affect local economies, and is contributing to labour shortages in some regions of NSW, including Griffith. The displacement of long-term residents reduces social cohesion, engagement with community activities (such as volunteering), and extended family support.

As well as impacting on the health and wellbeing of low income families, and older and younger people, this can contribute to a lack of labour supply among 'key workers' who are essential to various services including childcare, aged services, health care, tourism, hospitality and emergency services, but whose wage increasingly does not allow them to access rental or purchase housing close to where they work. Affordably priced housing is thus an important form of community infrastructure that supports community wellbeing and social and economic sustainability, including a diverse labour market and economy, and strong and inclusive communities.

1.5 Overview of Findings from *Background Paper*

1.5.1 Overview

It is widely acknowledged that there is major shortfall in affordable housing in most cities and many regional communities across Australia.¹ The most severe and lasting impacts are experienced by very low and low income households in unaffordable private rental accommodation, who do not gain the benefits that accrue to home purchasers, including long-term capital gains and a decreasing debt to

¹ Darcy, M. and Stubbs, J. 2005. 'Housing and Contemporary Social Work Practice', in Alston, M. & McKinnon, J. (eds) *Social Work Fields of Practice*, Oxford University Press, UK.

household income ratio over time;² and for whom social rental and home ownership is increasingly inaccessible.³

Very low and low income renting households also make up the majority of those in housing need in the Griffith context, and require the strongest planning and market intervention in order to address this need.

This section first sets an overview of key demographic and housing issues and trends that form a context to the forthcoming *Housing Strategy*. This is followed by an overview of the planning and policy context, and a review of strategies and mechanisms most likely to be effective in the local context, and that will be further developed in the preparation of the *Strategy*.

1.5.2 Demographic and Housing Overview

Griffith is often regarded as the 'regional capital of Western Riverina', and a major service centre for a range of inland regional towns, with a residential population of around 26,000 people at the time of the 2016 Census, and a regional service catchment of around 60,000 people.⁴ Unlike many rural and regional areas, Griffith has experienced robust historical population growth (0.7% per annum on average over the past 10 years), largely related to irrigated agriculture and value added activities. It has the critical mass to attract people from smaller areas moving up the regional hierarchy, as well as tree changers from metropolitan areas seeking more affordable accommodation and improved lifestyle.⁵

More recently, a decline in local jobs in primary production has been more than offset by growth in employment in aged, health and community services, hospitality-related industries and value added manufacturing, with jobs growth 1.4% per annum on average since 2006 compared with 1.2% for Rest of NSW, noting that the latter area also includes urban areas like Wollongong and Newcastle. The past 5 years has seen particularly high jobs growth in the LGA (2.7% per annum).⁶

The younger than average age profile, and ongoing inward-migration of young families and overseas migrants to take up semi- and unskilled work opportunities in Griffith, also runs counter to demographic trends for many regional and rural areas, which tend to have a significant loss of young people aged 18 to 34, and a more rapid aging of the population.⁷

² Burke, T. and Hulse, K. 2010. 'The Institutional Structure of Housing and the Sub-prime Crisis: An Australian Case Study', in *Housing Studies*, Vol. 2. No. 6, 821-838, November 2010.

³ NSW Government (2016) Future Directions for Social Housing in NSW, accessed online: <http://www.socialhousing.nsw.gov.au/>

⁴ Draft Riverina-Murray Regional Plan 2016 < <http://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/draft-riverina-murray-regional-plan-2016-04.ashx>

⁵ ABS 2016 Census; and JSA (2010) Report 3: Exploring the relationship between community resilience & irrigated agriculture in the Murray Darling Basin: Irrigated Agriculture and Socio-Economic Indicators, for the Cotton Catchment Communities Co-operative Research Centre

⁶ ABS Census, 2001, 2006, 2016

⁷ JSA (2010) Report 3: Exploring the relationship between community resilience & irrigated agriculture in the Murray Darling Basin: Irrigated Agriculture and Socio-Economic Indicators, for the Cotton Catchment Communities Co-operative Research Centre

1.5.3 Housing Supply and Demand

Future local growth is projected to be much lower than historical trends by the NSW Department of Planning and Environment, but there appears to be **compelling evidence to prefer population growth projections of id.Consulting of 0.73% population growth per annum**, and a total population of 30,507 by 2036.

This results in projected demand for 1,744 additional dwellings, although id.Consulting's projections of *household types* may not automatically translate to a commensurate *dwelling type* breakdown. This is due to the existing significant mismatch between the supply of smaller dwellings and current and projected need, noting that our research indicates that there would be an undersupply of around 4,500 smaller, well-located dwellings suited to single people and couples, and an over-supply of around 2,800 larger dwellings suited to families with children, by 2036.

This is based on existing supply compared with the nature of households, as well as significant under-occupancy of public housing and a significant proportion of existing larger owner-occupied homes.⁸ It is understood that people may choose to occupy dwellings that are in excess of their 'need', but it may be **prudent to plan for a higher proportion of well-located strata dwellings** in the future dwelling mix than is inferred by id.Consulting projections.

To this end, there appears to be **sufficient zoned Greenfield land** to meet projected demand - and likely in excess of what is *actually needed* based on our analysis of existing supply and demand - with the capacity for around 800 separate houses in Collina Precinct, and an increased supply if a proportion of multi dwelling housing is factored in. This is 10-15 years' supply at recent historical growth rates.

The challenge will likely be in ensuring that there is a **sufficient supply of smaller, well-located dwellings** to meet projected demand, noting that there has been a relatively static proportion of flat and units and a relatively small amount of villas, townhouses and attached dwellings from 2006 to 2016. This is also important as strata dwellings are far more likely to enter the rental market than separate houses, and to increase the supply of private rental properties.

Strategies that seek specifically to increase the amount of lower cost and affordable housing will also be beneficial to increasing appropriate housing supply generally in this respect.

1.5.4 Affordable Housing Need

The biggest issue facing Griffith in terms of housing affordability is the **large and increasing number of very low income renting households**, often in severe housing stress, and the general inability of the market to provide for such households. Around 45% of those in housing stress are very low income renters. When **low income renters** are added, these groups make up **two-thirds of those in housing stress** in the LGA. These groups include households dependent upon pensions and benefits as well as the large pool of workers in low and very low paid jobs.

⁸ ABS Census, 2001, 2006, 20016; and id.Consulting population and housing projections for Griffith LGA

The serious pressure on local rental stock is evident in the **very high real rate increase in rents⁹ over the past 10 years**, with rents for two bedroom strata dwellings in the LGA growing at double the NSW rate, and rents for three bedroom dwellings growing at four times the NSW rate. In contrast, local **purchase price grew at well below average rates** over the decade. The **pressure is clearly on rental stock**, which is likely affected by the low growth in strata dwellings (in particular, flats and units) in the LGA over the past decade.

It is likely that, by 2036, there will be at least **1,160 households in need of affordable housing** in the LGA, 70% in rental stress and 30% in home purchase stress, with a likely need for 60% are smaller dwellings suited to singles and couples, and 40% suited to families. On current trends, 50% of affordable dwellings would need to be for very low income households, 30% for low income households, and 20% for moderate income households. This is the basis of affordable housing targets, outlined later.

Importantly, Griffith has a **higher than average rate of homelessness** compared with NSW, and has experienced an increased in people who are homeless and who are marginally housed since 2011. This includes a high rate of people who are living in severely overcrowded dwellings, in cars and temporary or insecure accommodation rather than 'street' homelessness'. An estimate of the number of homeless people in Griffith LGA using homelessness duration data from the General Social Survey is **2,175 homeless people in any given year**. This may represent repeat episodes of homelessness for some people, particularly those homeless in the short-term, so that this may be better thought of as homeless 'incidents' in a given year.

It is further noted that many people counted as homeless on Census night are able to resolve their homelessness themselves with some assistance, for example, through staying with family or friends, or finding suitable private rental accommodation. However, people who have been homeless for three or more months are at serious risk of long-term homelessness. Considering duration data, this be between 81 and 161 people who are at risk of entering long-term homelessness in the LGA in any one year.

A midpoint of 120 people would be a reasonable assumption of the minimum number of dwellings that would be needed to accommodate this group, or **140 dwellings accounting for ongoing growth of homeless people and general population**. This would be a minimum target for people at risk of chronic homelessness in addition to people in housing stress as a measure of affordable housing need, as discussed elsewhere.

1.5.5 Housing Affordability

It is also important to understand the extent to which the market is, and has the *potential* to, deliver affordable housing to relevant target groups.

- **Very low income households are effectively excluded from both the private purchase and rental market**, although some would benefit from an increased supply of smaller one

⁹ Adjusted for inflation
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bedroom dwellings in terms of reduced 'cost' if not affordability, including very low income workers without a family.

- Most **low income households** could affordably *rent* a one bedroom strata dwelling, although these are in very short supply in the LGA. Two bedroom dwellings were only affordable to the upper 30% of the low income range, though again, smaller households would benefit from an increase in the provision of smaller two bedroom strata dwellings terms of reduced 'cost' of dwellings. The rental on a three bedroom dwelling was *not* affordable to any low income households, meaning that **families with children are particularly disadvantaged**.

Affordable purchase is also a problem for many low income households. All could likely purchase a one bedroom strata dwelling (were such more readily available), the upper 70% could afford to purchase a median priced two bedroom strata dwelling, whilst only the upper 10% could afford to purchase a median priced three bedroom strata dwelling, showing that there is a **significant affordability gap for larger low income households**.

- Affordable housing is generally **delivered by the market** in Griffith LGA for **moderate income households**, both for rental and purchase, although some households in the lower end of the moderate income band may have difficulty renting or purchasing a separate house. While there is some housing stress amongst this group, the majority of this is in purchase and may represent decisions made by households to purchase higher-priced properties in the anticipation of increasing equity or decreasing debt to income ratios over time; or could represent changes in circumstances, such as one person from a couple ceasing work to carry out child care.
- New Generation Boarding Houses developed under SEPP Affordable Rental Housing 2009 would be affordable to very low income singles and couples who are working, and are reported to be in high demand. However, none have to date been developed in the LGA under the SEPP, despite the good rate of return on new forms of this accommodation, and consultations indicated that there is limited knowledge of the potential of such accommodation to meet housing need. The stock of such accommodation is made up of older, often poor amenity boarding houses.
- Site rental within a **caravan park or more affordable manufactured housing estate (MHE)** would be affordable to low income households, provided they owned their own manufactured home or van, or had substantial capital toward the purchase of this type of dwellings. It is also likely that a smaller one or two bedroom mobile home on a rented site would be affordable to some low income households, and that a larger home could be affordable to some low income families. However, most permanent or long-term sites have been lost within existing caravan parks, which has left a significant gap in the market.

Together with an analysis of the economic and planning context discussed below, these findings underpin the nature of strategies determined to be most effective in the local context.

1.6 Effective Strategies and Mechanisms

1.6.1 Overview

There are **two main strategies that are likely to be most effective** in increasing the supply of affordable housing in the local context of local housing need and supply:

- Actively seeking to facilitate an increased supply of lower cost and affordable housing types (one and two bedroom strata dwellings and New Generation Boarding Houses) through the market in well-located areas. This principally involves **ensuring that there are no unnecessary impediments to the local planning regime** that act as a barrier or disincentive to the proper operation of the market, and likely requires some fundamental changes to existing planning controls and mechanisms. It is noted that there are significant redevelopment opportunities in precincts closest to Griffith town centre (Central Griffith, Wakaden and Coolah Precincts).

Removing impediments to the development of **small lot housing and multi dwelling housing in Greenfield areas** will also be important in meeting projected need, noting that there is likely to be sufficient zoned land in Collina Precinct to accommodate the projected demand for family dwellings whilst also incorporating increased housing diversity.

- The **direct creation of affordable rental housing** for very low and low income renters, and for some low income purchasers, through partnerships on land owned by Council and other public authorities. This includes as part of well-located multi-tenure developments and New Generation Boarding Houses, affordable seniors housing, selective redevelopment of older public housing stock to better meet projected need, and a demonstration affordable MHE project for low income workers and families. The preferred partner would be a registered Community Housing Provider with a strong track-record in development and management of affordable housing and a local presence, as this is likely to increase yield and decrease risk.

Other strategies are also likely to have some effect on increasing access to affordable and lower cost housing. These include **requiring a proportion of smaller dwellings** in future RFBs and multi dwelling housing, and **mandating diversity** in Greenfield developments; seeking to **engage large local employers** in a demonstration project to increase medium to long term rental accommodation (e.g. through participating in good quality, affordable MHE and/or New Generation Boarding House projects); a **shared equity pilot project** for low income working families on Council land; and **providing incentives** for the development lower cost strata dwellings close to Griffith town centre through reduced parking controls and changes in planning controls more generally.

Other mandatory mechanisms related to **value capture**, including mandatory affordable housing contributions or inclusionary zoning approaches under the recently amended *SEPP 70 (Affordable Housing)* are unlikely to be economically feasible in the local housing market context, despite a likely ability to demonstrate 'local housing need' under the SEPP.

Other incentive based mechanisms like FSR bonuses that also rely on significant land value uplift are also unlikely to be feasible in the local context due to low land values and relatively low rates of value uplift from up/rezoning.

Ensuring that there is a **clear planning framework** for the development of the *Housing Strategy*, including defensible definitions, benchmarks and targets, and evidence-based mechanisms is also important for transparency and accountability, and monitoring progress of the Strategy over time.

The main mechanisms most likely to be effective are outlined more fully, and detailed at **Section 6** of this *Background Report* and relevant Appendices.

Definitions, Benchmarks and Targets

'Affordable housing' is defined in NSW under the Environmental Planning and Assessment Act 1979, and SEPP 70 (Affordable Housing). It is proposed that Griffith Council **adopts this definition, and relevant income, rental and purchase benchmarks** as set out in **Section 6.2.1** of this Draft Background Report (see **Table 6.1**). It is also proposed that Council establishes targets based on current and projected need for affordable housing (see **Section 6.2.4**).

Facilitative mechanisms

Even though housing in Griffith is 'lower cost' than the relevant benchmark area (Rest of NSW), it is **not 'affordable'** to the majority of local people who most need such housing – very low income renters, many low income renters, and low income family purchasers. This is due to the high proportion of renters on very low and low incomes (40%), and the constrained supply of social housing, affordable private rental accommodation and affordable housing types relative to need and demand.

There has been a **loss of social housing** in both proportion and absolute terms over the past 10 years; and the high unmet demand for private rental is evident in the real increases in rents over this period. There is also a severely constrained supply of the most affordable types of dwellings for smaller very low and low income households - one bedroom strata dwellings and New generation Boarding Houses - and a loss of most long-term or permanent residential sites in caravan parks, which have traditionally provided a source of low cost accommodation for older people and lower income families and workers.

There are **opportunities for the market to deliver affordable (or at least lower cost) housing** – generally in the form of well-located New Generation Boarding Houses, and one and two bedroom strata dwellings. This will also increase much needed housing diversity and help to address the housing supply-demand mismatch in the local context, although these are generally suited to smaller households and do not address rental affordability issues for families with children.

In particular, one and two bedroom residential flat buildings have historically provided a lower cost if not always 'affordable' form of accommodation for very low and low income people on pensions and benefits, and in low-waged jobs, but the supply of this form of housing has been significantly constrained since the introduction of the 1999 DCP. Two main provisions in the DCP have generally

rendered such developments non-viable, and also appear to be constraining multi dwelling housing in some precincts and release areas, that is:

- The use of varying density controls across different precincts, which place significant constraints on the number of dwellings per square metre and thus restrict what can actually be built on many lots. These are used in the existing DCP rather than FSR and Height controls in the LEP or DCP, for example; and
- The requirement for 50m² of private open space per ground floor dwelling, which favours separate houses and multi dwelling housing over residential flat buildings, but can also be restrictive in the case of multi dwelling housing in infill and release areas.
- Relatively stringent car parking requirements for strata dwellings including in areas close to the town centre¹⁰ are also likely to adversely impact on development for residential flat buildings, and potentially multi dwelling housing.

Three main precincts in close proximity to Griffith town centre (within around 400 metres) would benefit from a change in controls and to a lesser extent zoning, these being **Griffith Central, Wakaden and Coolah Precincts**. These changes would involve replacing density controls with FSR and Height controls, eliminating the 50m² of private open space per ground floor dwelling, and reducing parking requirement to *actual ownership by dwelling type*, which would also likely increase housing diversity and reduce housing cost across the LGA.

Selected rezoning within Central Griffith Precinct, and extension of Wakaden Precinct to the north would also increase opportunities for market delivery of and incentives for market delivery of diverse, affordable and/or lower cost dwelling types. Opportunities to selectively redevelop older, under-occupied social housing close to the town centre to better meet current and projected need for smaller social housing dwellings, and affordable rental housing for low and very low income workers as part of new mixed tenure developments, should also be explored with State Government.

Importantly, our assessment of the economics of redevelopment indicate that, with these amended controls, redevelopment of older houses on larger lots and lower quality commercial development is likely to be economically feasible and attractive (see **Section 6.3.2**). Our fieldwork indicates that there are significant opportunities in these Precincts.

A detailed summary of proposed amendments to controls, selected rezoning and extensions for the three relevant precincts is provided in **Section 6.3.3** of this *Background Paper*, and in more detail at **Appendix C**.

The option to develop **New Generation Boarding Houses** under *SEPP Affordable Rental Housing 2009* is quite readily available in relevant zones within Griffith; however, there appears to have been very limited take up by developers, despite reports that a number of unapproved, lower quality 'boarding houses' are operating to house low income migrant workers and other low income groups. This is

¹⁰ There is a generic control across the LGA of one onsite space per one bedroom dwelling; 1.5 spaces per two bedroom dwelling; and 2 spaces three bedroom dwelling regardless of location or dwelling type.

reported to be due to lack of knowledge about opportunities through the SEPP. Modelling undertaken for this *Background Paper* suggests that these are likely to be viable in the local context, and would have a good rate of return, so that increased awareness and promotion of best practice would also likely be beneficial (see also **Section 6.3.3** below and the accompanying **Case Study Booklet** for examples of best practice).

Direct Creation of Affordable Housing

The **direct creation of affordable housing** through more efficient use of Council and other public land in development and/or management partnerships is likely to be the most effective strategy for creating affordable housing for very low and many low income renting households, who are otherwise largely excluded from the private market, and often in severe housing stress and at risk of homelessness.

A first cut assessment of the suitability of a range of Council- and publicly-owned sites with regard their size, location, zoning and freedom from significant constraints has been undertaken, and reported in **Section 6.5.2 below**. A range of development scenarios were then **modelled in a preliminary** way to assess the likely feasibility of affordable housing developments in the local housing market context on indicative sites.

Our preliminary assessment indicates that **these indicative developments on Council-owned land would be economically feasible** (that is, income would exceed costs at year one) with the exception of a two storey residential flat building. Developments modelled included a multi-tenure affordable villa development, a multi-tenure affordable residential flat building, and a New Generation Boarding House; and an affordable MHE or caravan park. Assumptions used are conservative, and varying these would make the developments even more favourable.

A seniors' development targeting older pensioners would not break even unless somewhat higher than 'affordable rents were charged, although at \$230 per week, such rental would still likely provide lower cost rental than is often available through the market, in a community setting.

Other opportunities include the **selective redevelopment of dwellings or areas within large scale public housing estates in Macarthur and Merrigal Precincts** to better meet current and projected housing need for smaller very low income households in the LGA for both social housing and affordable rental housing for lower income workers; and opportunities for more efficient use of an **underutilised site occupied by Barnabas House**, where a number of the dwellings appear to be vacant and in poor repair; and the **Show Ground**, where there appear to be underutilised capacity for residential caravans or manufactured homes on vacant land, although the needs of around 50 very low and low income households, many of them long-term would need to be considered if any redevelopment is proposed.

Mandatory Mechanisms

In terms of other potential strategies and mechanisms, although there is a high degree of housing need, there are limited opportunities for **mandatory mechanisms** such as value capture due to low

land values and relatively low land value uplift in the case of rezonings and up-zonings. As such, there may be limited opportunities for implementing mandatory affordable housing contributions under the recently amended SEPP 70, although the State Government's intentions under the SEPP for regional areas like Griffith are not entirely clear at the time of writing.

However, **mandating a proportion of smaller dwelling types** as part of redevelopment for residential flat buildings or multi dwelling housing (for example, one bedroom strata dwellings) in the three precincts set out above, and a proportion of smaller multi dwelling housing as part of more detailed planning for Greenfield release areas, would be prudent given the need for such accommodation and the potential reluctance of the market to provide a mix of such dwellings. More work may need to be done to ensure that this is not an impost upon development.

These findings are discussed in more detail in the body of this Report and related appendices.

2 Socio-Economic Context

2.1 Introduction

This chapter contains selected demographic data for the City of Griffith, compared to benchmark regions of Riverina SA4 and Rest of NSW (that is, NSW excluding greater Sydney). These geographies are shown in the following maps.

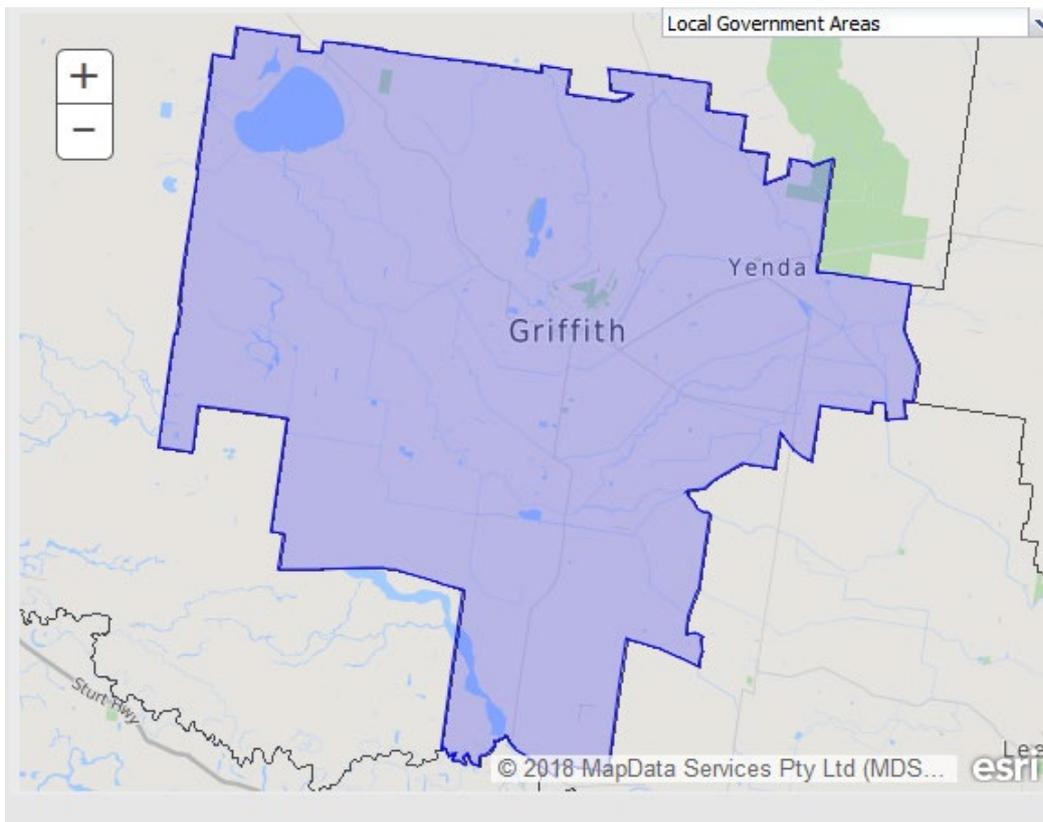


Figure 2.1: City of Griffith boundaries

Source: ABS 2016 Census

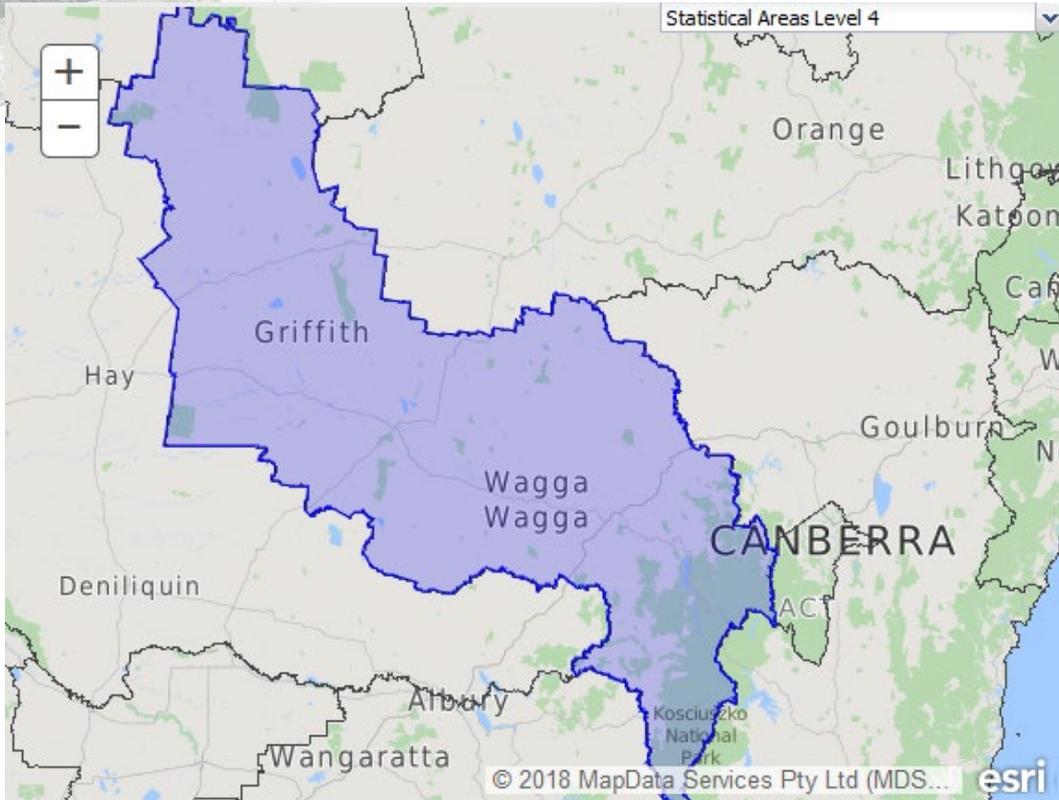


Figure 2.2: Riverina SA4 boundaries

Source: ABS 2016 Census

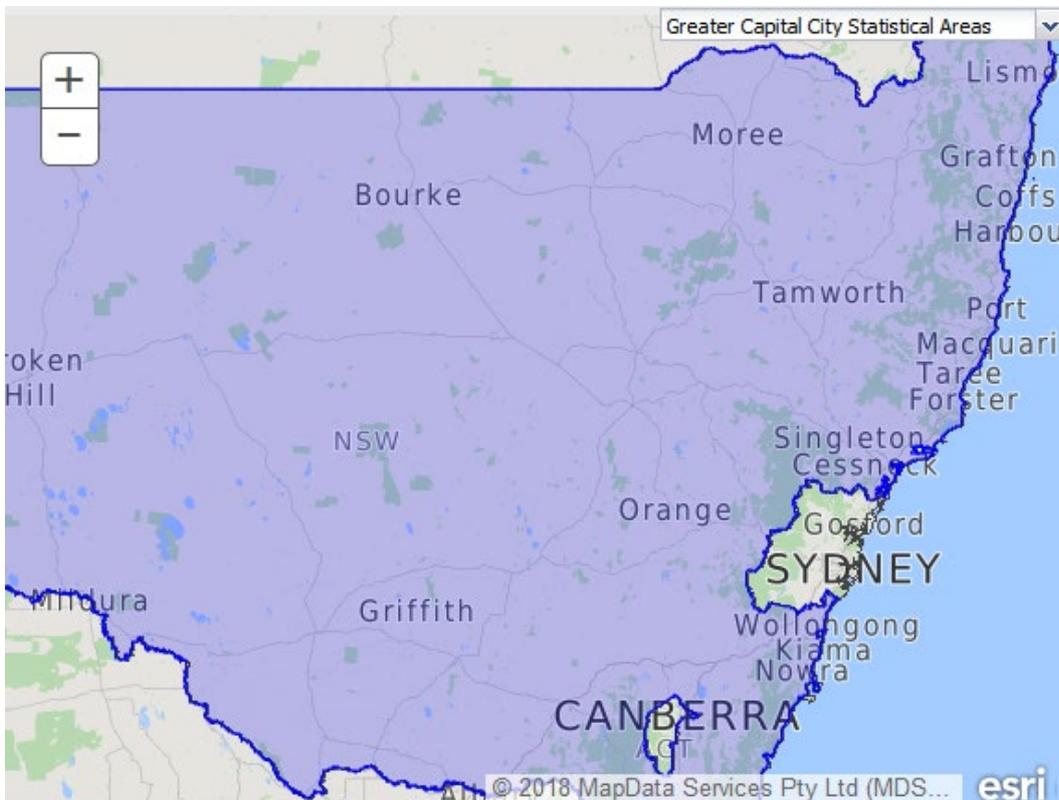


Figure 2.3: Rest of NSW boundaries

Source: ABS 2016 Census

2.2 Population Trends

2.2.1 Historical Population Growth Rates

Historically, growth rates for City of Griffith have exceeded those for Riverina SA4 but are slightly lower than those for 'Rest of NSW' (NSW excluding Greater Sydney Region, but including major centres like Newcastle and Wollongong). Average growth was 0.7% from 2011.

As indicated in the Figure 2.4 below, growth rates increased steadily from a low base in 2003, and have been relatively consistent since 2010, with a few dips and peaks, likely due to economic adjustment or restructuring as well as seasonal fluctuations in agriculture and related industries.

As discussed later, this quite healthy local growth is likely due to the robust local jobs market growth in recent years, noting that population growth rates for the Riverina were much lower than Griffith since 2010. It is also likely that Griffith's higher population growth is due to rural restructuring including due to irrigation water constraints and policy in smaller areas, and the tendency for population in rural Australia to move up the regional centres hierarchy.

The table below shows populations and growth rates for 2001-17, and for 2001-2012 and 2012-17 using estimated resident population, the most accurate population data available.

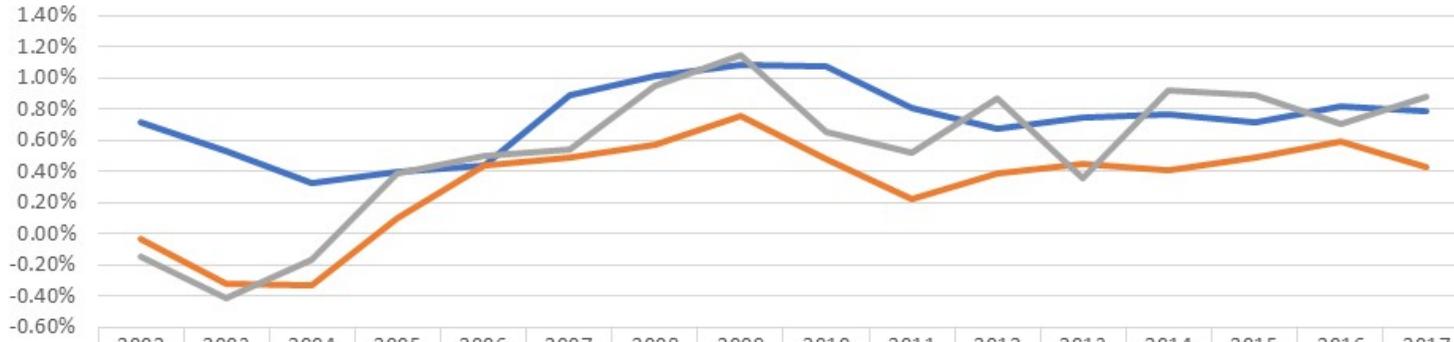
Table 2.1: Current population and growth rates for selected areas

	Estimated Resident Population 2017	Annual Growth Rate 2001-17	Annual Growth Rate 2001-12	Annual Growth Rate 2012-17
City of Griffith	26,586	0.5%	0.4%	0.7%
Riverina SA4	160,049	0.3%	0.2%	0.5%
Rest of NSW	2,729,319	0.7%	0.7%	0.8%

Source: JSA 2018, based on data from ABS Estimated Residential Populations

The graph below shows estimated historical population growth rates estimates for these areas for the period, followed by graphs showing estimated growth for each area for the period in absolute terms.

Year on year population growth for selected areas



	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Rest of NSW	0.72%	0.53%	0.32%	0.39%	0.44%	0.89%	1.01%	1.08%	1.07%	0.80%	0.67%	0.75%	0.77%	0.71%	0.82%	0.79%
Riverina SA4	-0.03%	-0.32%	-0.34%	0.10%	0.44%	0.49%	0.57%	0.76%	0.48%	0.22%	0.38%	0.44%	0.41%	0.49%	0.60%	0.43%
City of Griffith	-0.14%	-0.41%	-0.17%	0.39%	0.50%	0.54%	0.95%	1.14%	0.65%	0.52%	0.86%	0.36%	0.92%	0.88%	0.71%	0.87%

Figure 2.4: Year on year population growth for selected areas, 2002-2017.

Source: JSA 2018, based on data from ABS Estimated Residential Populations

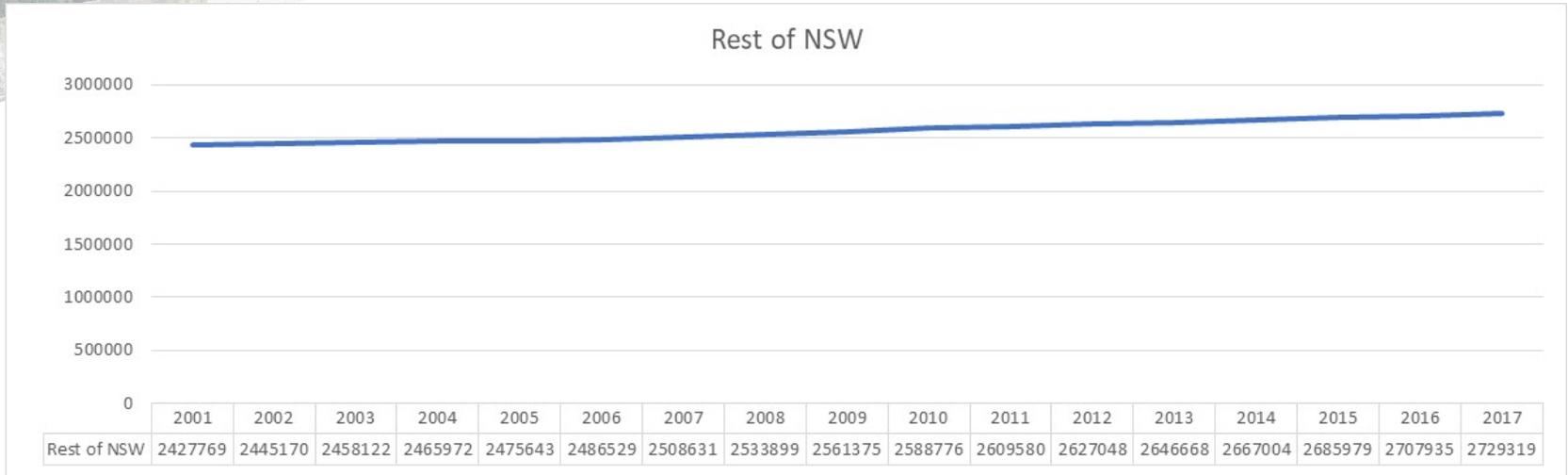


Figure 2.5: Estimated Resident Population - Rest of NSW.

Source: JSA 2018, based on data from ABS Estimated Residential Populations

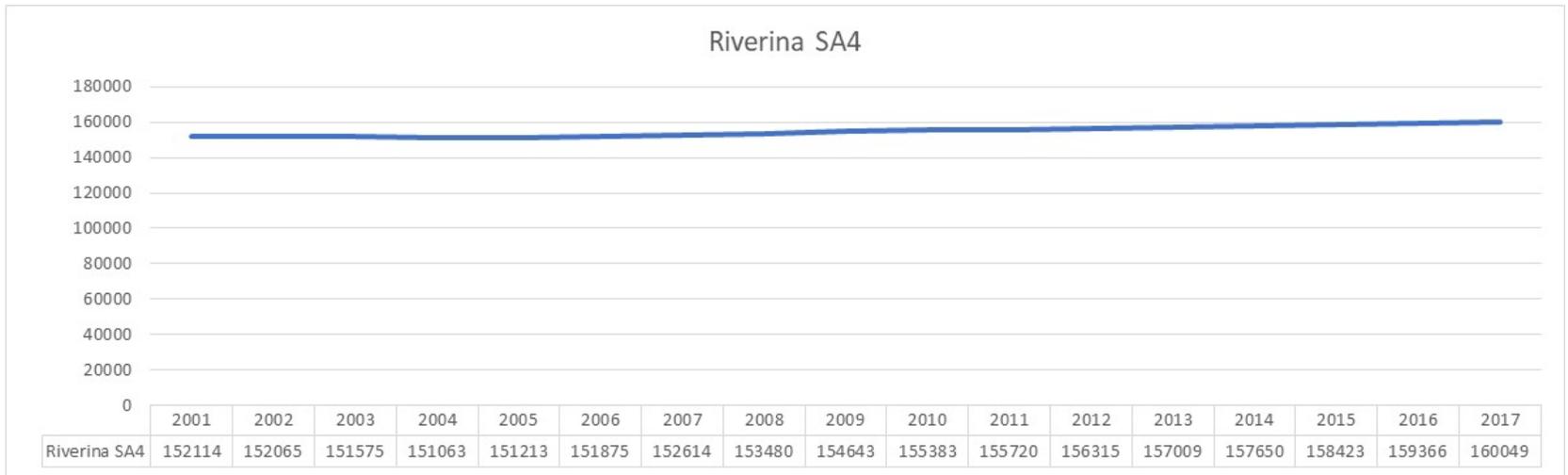


Figure 2.6: Estimated Resident Population – Riverina SA4.

Source: JSA 2018, based on data from ABS Estimated Residential Populations

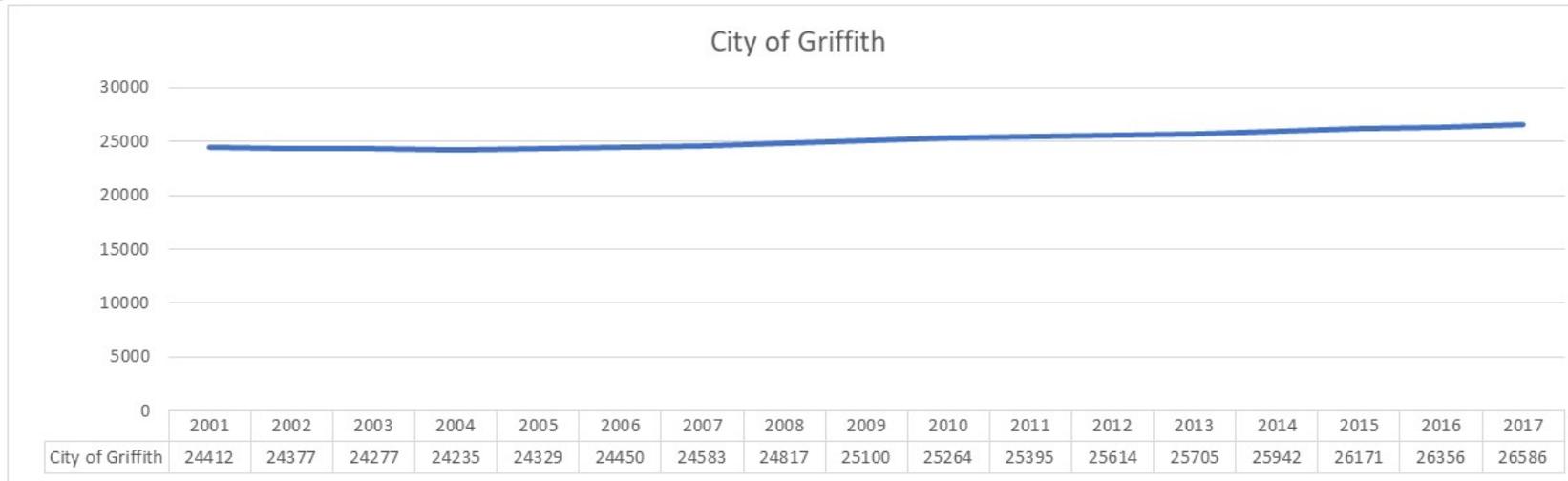


Figure 2.7: Estimated Resident Population – City of Griffith.

Source: JSA 2018, based on data from ABS Estimated Residential Populations

We have also used actual counts as reported in ABS Census data from 2001, 2006 and 2016 to analyse rates of population growth, as well as person and household characteristics, and this detailed data is only available for Census years. The table below shows change in selected indicators for 2006, 2011 and 2016 using Census data.

The annual population growth rate from 2011-16 for Griffith LGA was 1% per annum compared with 1.0% for Rest of NSW, and 0.8% from 2006-16 compared with 0.9% for Rest of NSW. As noted, population growth rates using ERP above are preferred in terms of accuracy, although they are not greatly dissimilar to the Census counts.

Household size was relatively stable over the period in the LGA, and growth in occupied private dwellings was slightly higher than population growth more generally (0.9% for 2006-16) and reflecting the increase in vacancy rate for dwellings over the period. At around 9-10%, the vacancy rate for dwellings was lower than for NSW at 12-13%.

This is shown in the following table.

Table 2.2: Dwelling numbers and household size over time in City of Griffith

	2006	2011	2016
People in private dwellings (including not stated)	23,019	23,696	24,896
Annual growth rate		0.6%	1.0%
Occupied private dwellings	8,539	8,958	9,343
Annual growth rate		1.0%	0.8%
Average household size	2.7	2.6	2.7
Unoccupied private dwellings ¹¹	823	1,009	937
Total dwellings	9,362	9,967	10,280
Annual growth rate		1.3%	0.6%
Vacancy rate	8.8%	10.1%	9.1%

Source: JSA 2018, based on data from ABS Census

Annual population growth rates were well below annual rates of jobs growth for the same periods (1.4% p.a. for 2006-16 and 2.7% p.a. for 2011-16). This is robust local jobs growth indicates a healthy economy, particularly for a regional areas that has been highly dependent upon irrigated agriculture

¹¹ This is dwellings that were unoccupied on census night, and includes dwellings where residents were temporarily absent on that night.

and related industries, and likely reflects the economic restructuring that has been occurring for some time, with strong jobs replacement in service and tourism sectors and value added manufacturing that has more than offset job losses in the primary sector.

2.2.2 Population Projections

The NSW Department of Planning and Environment (DPE) publishes population projections for LGAs in NSW. The 2016 projections for Griffith LGA are set out below, and have been reviewed in light of the historical trends outlined above.

The estimates below appear **conservative when compared to historical data**. As noted, the actual annual population growth 2011-16 for City of Griffith using estimated resident population data was 0.7% compared with the DPE estimate of 0.4%.

For the same period, the number of occupied private dwellings increased by 0.8% using place of enumeration data, similar to the DPE estimate of 0.8%. The average household size was 2.7 in 2016 people in occupied private dwellings, again higher than the DPE estimate of 2.56.

Table 2.3: NSW DOPE Population Projections for City of Griffith

	2011	2016	2021	2026	2031	2036
Total Population	25,400	25,950	26,250	26,350	26,300	26,150
Total Households	9,550	9,950	10,250	10,500	10,650	10,700
Average Household Size	2.62	2.56	2.51	2.47	2.42	2.38
Implied Dwellings	10,650	11,050	11,400	11,650	11,850	11,900
Total Population Change for five year period		550	300	100	-50	-150
Average Annual Population Growth		0.4%	0.2%	0.1%	0.0%	-0.1%
Total Household Change		400	300	200	150	50
Average Annual Household Growth		0.8%	0.6%	0.4%	0.3%	0.1%

Source: JSA 2018, based on data from ABS Estimated Residential Populations

Population growth in regional areas is typically related to jobs growth, although population growth in coastal areas and regions proximate to Sydney are also influenced by sea/tree change and housing affordability.

Between 2006 and 2016, the number of people working in the City of Griffith grew from 10,526 to 12,134, an increase of 1,608 jobs (1.4% per annum, with 2.7% per annum growth in the period 2011-2016). Of these additional jobs, 415 were classified as inadequately described or not stated. This could be because of decreased literacy or English proficiency in the workforce, as of the increased workforce, 810 people (more than half) did not speak English at home, and 179 of these people did not speak English well or at all.¹²

Using 4 digit industry data, jobs growth largely came from:

- An increase in manufacturing (poultry processing and soft drink, cordial and syrup manufacturing);
- Aged care residential services; and
- A range of tourism related services such as cafes and restaurants.

Jobs growth in these areas exceeded job losses in industries associated with irrigated agriculture including grape growing, wine manufacturing, and fruit and vegetable growing and processing. Detailed data on employment change is provided at **Appendix A**.

We understand that Council expects job growth in City of Griffith to continue in the next few years, with Council officers identifying a number of opportunities for jobs growth in more recently expanding sectors.

In contrast, DPE population projections appear to be based on the assumption of City of Griffith as a static or declining economy. They do not appear to allow for the rate of recent jobs growth, nor the significant inward migration of younger adults to take up employment opportunities, but assume the existing population will age in place and die, and that there will be outward migration of young and middle aged adults. This is not supported by the evidence set out in this Background Paper.

DPE age projections are set out in the table below.

¹² ABS Census 2016 and 2006
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Table 2.4: NSW DOPE Population Projections by age for City of Griffith

Age Group	2011	2016	2021	2026	2031	2036	Change 2011/36
0-4	1,900	1,800	1,800	1,750	1,650	1,600	-300
5-9	1,950	1,850	1,800	1,750	1,700	1,650	-300
10-14	1,900	1,850	1,750	1,700	1,700	1,650	-250
15-19	1,750	1,800	1,750	1,650	1,600	1,550	-200
20-24	1,700	1,600	1,550	1,500	1,400	1,350	-350
25-29	1,700	1,700	1,600	1,550	1,450	1,400	-300
30-34	1,600	1,700	1,700	1,600	1,550	1,450	-150
35-39	1,600	1,550	1,650	1,650	1,550	1,500	-100
40-44	1,750	1,600	1,550	1,650	1,650	1,550	-200
45-49	1,700	1,700	1,550	1,500	1,600	1,550	-150
50-54	1,650	1,650	1,650	1,500	1,450	1,550	-100
55-59	1,450	1,600	1,600	1,550	1,450	1,400	-50
60-64	1,200	1,400	1,550	1,550	1,500	1,400	200
65-69	950	1,200	1,400	1,500	1,500	1,500	550
70-74	850	900	1,150	1,350	1,450	1,500	650
75-79	700	750	850	1,050	1,250	1,400	700
80-84	550	600	650	700	900	1,100	550
85+	500	650	700	800	900	1,150	650

Source: JSA 2018, based on data from ABS Estimated Residential Populations

Council has commissioned population projections from .id Consulting Pty Ltd.¹³ These forecasts show an annual population growth of 0.73% between 2018 and 2036, and so are more in line with historical trends

Given the historical resilience of the Griffith economy, the **DPE figures should be treated as a lower bound estimate** of population growth. Given the high rate of jobs growth over the past 5 years in

¹³ Id. Consulting (2018) *Griffith City Population and household forecasts 2016 to 2036*.

particular, sustained population growth in recent years, and the nature of in-migration discussed later, there is no reason to discount id. Consulting’s projected annual growth rate of 0.73%, although, of course, changed economics conditions or adverse government policy can unexpectedly impact upon such growth rates in the future (positively or negatively).

As such, this report relies upon the population projections from .id Consulting for total population, although as discussed later, their projections on aging and household type do not appear to be in line with recent aging and in-migration trends. The following table summarises id. Consulting’s key projections/trends.

Table 2.5: Forecast population, households and dwellings

Griffith City	Forecast Year				
	2016	2021	2026	2031	2036
Population	26,426	27,320	28,306	29,372	30,507
Change in population (5 yrs)	-	894	985	1,066	1,134
Average annual change	-	0.67%	0.71%	0.74%	0.76%
Households	9,911	10,210	10,582	10,976	11,388
Average household size	2.63	2.63	2.63	2.63	2.64
Population in non-private dwellings	398	418	438	458	478
Dwellings	10,410	10,805	11,239	11,693	12,154
Change in dwellings (5 yrs)	-	395	731	454	461
Dwelling occupancy rate	95.21	94.49	94.15	93.87	93.70

Source: id. Consulting Population and household forecasts 2016-2036 and JSA calculation

2.3 Age Profile

2.3.1 Age Profile

In 2016 the **median age** in City of Griffith was relatively young (37 years) for a regional area, and was lower than Riverina SA4 (39 years), and much lower than Rest of NSW (43 years). This largely reflects the relatively favourable economic environment in Griffith, and its role as a major regional service centre.¹⁴ It may also reflect residency incentives for migrants to work in regional areas such as the ten points available under the Skilled Regional (Provisional) visa, and/or growing local opportunities in semi and unskilled work.

The graph below shows the **age profile** for City of Griffith compared to benchmark areas. Again, it can be seen that the population of Griffith has a younger profile, particularly compared to Rest of NSW. The high proportion of young adults (aged 25-29) is notable, as in regional areas this group typically migrates outward for education and employment. There is a much lower than average proportion of people aged 55 years, which again generally goes against NSW regional trends.

As discussed later, apart from earlier migrants from Italy, more recent migrants from overseas tend to be in younger age groups.

¹⁴

Age Profile

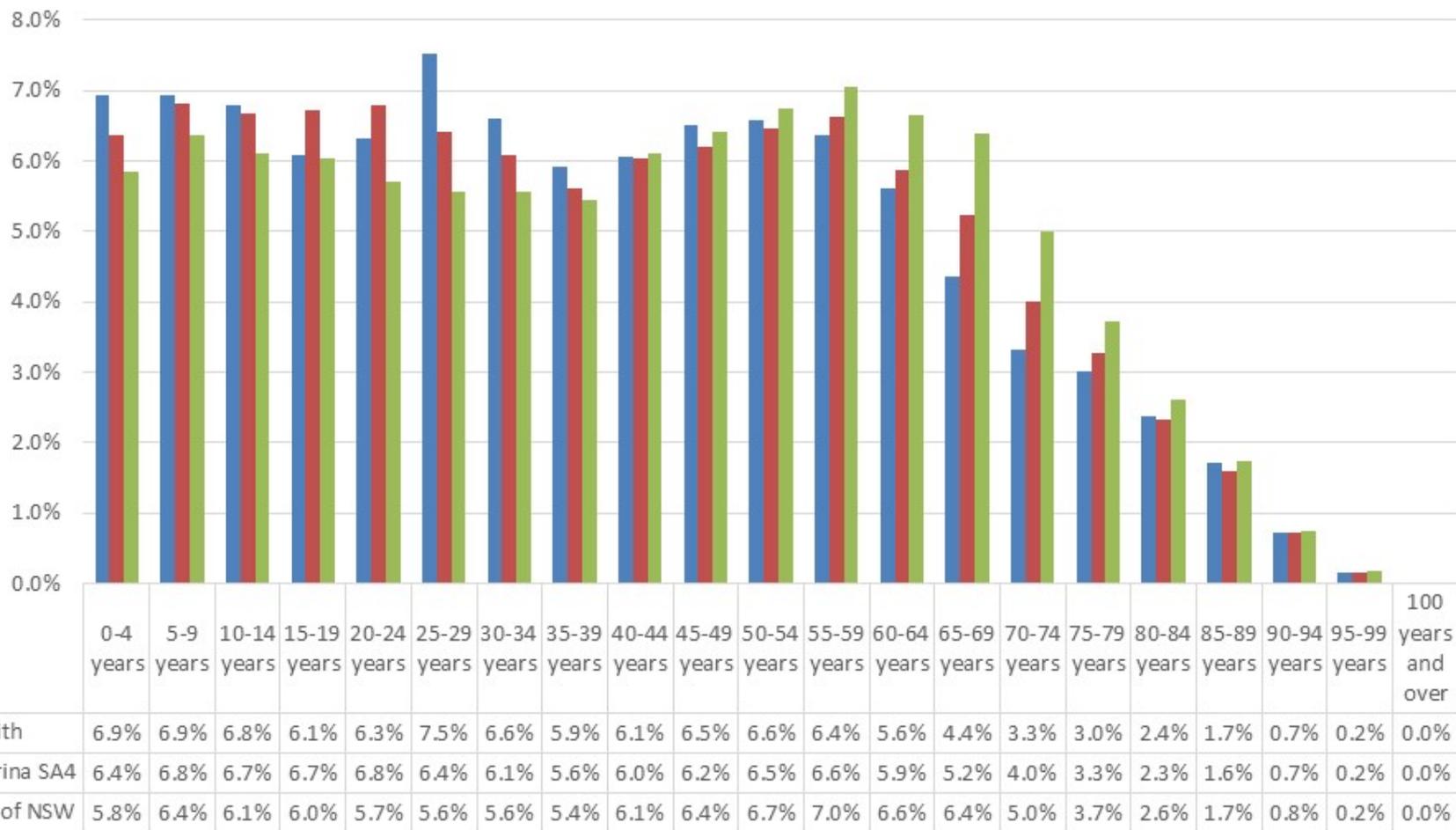


Figure 2.8: Age profile for City of Griffith compared to Riverina SA4 and Rest of NSW.

Source: JSA 2018, based on data from ABS 2016 Census

2.3.2 Projected Age Profile

The population forecasts prepared by .id Consulting Pty Ltd show an aging of the population over the period 2016-2036, generally taking into account the most recent population and migration trends.

This is shown in the graph below.

Age Profile

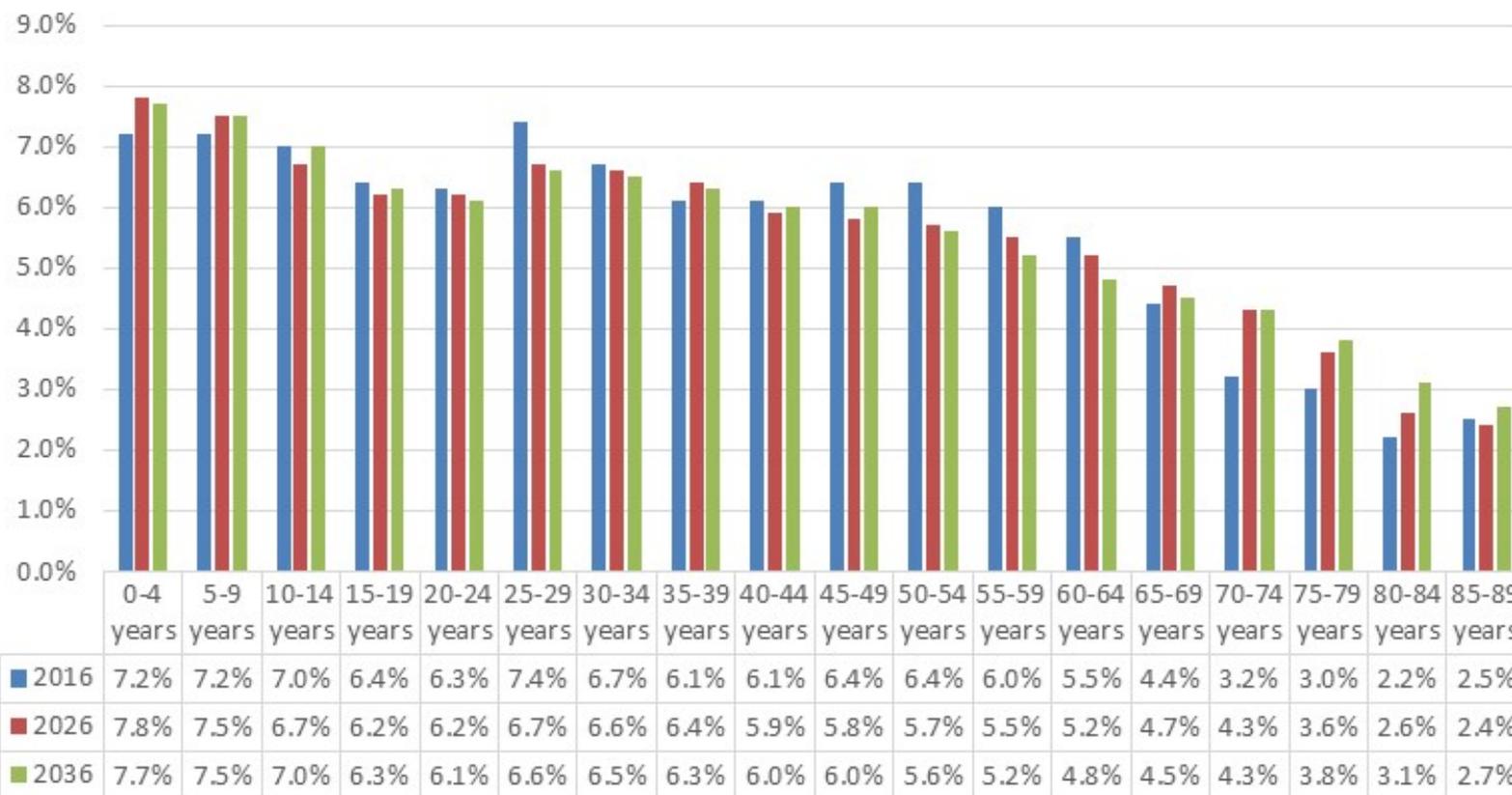


Figure 2.9: Age profile projections for City of Griffith.

Source: .id Griffith Population Forecasts 2018

2.4 Household Profile

2.4.1 Household Profile

The graph below shows the household type profile for City of Griffith compared to benchmark areas.

The household profile reflects the younger age profile of City of Griffith compared to these areas, with this evidenced by fewer couple only and single person households and more couple family with children households.

The higher proportion of ‘other households’ compared to benchmark areas is notable, as these are multifamily and other non-classifiable households. This may be reflective of higher levels of overseas migrants in Griffith, and groups of workers living together.

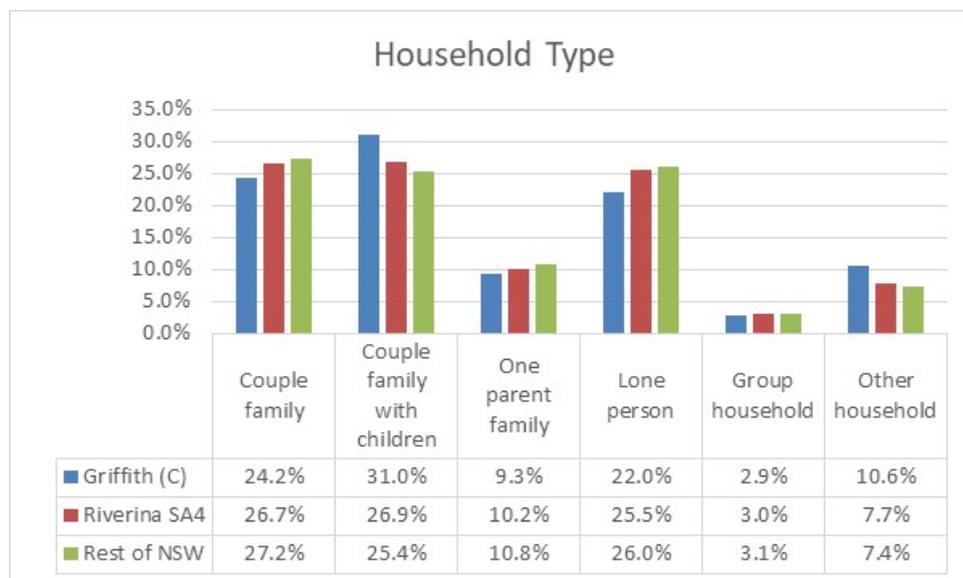


Figure 2.10: Household profile compared to benchmark areas.

Source: JSA 2018, based on data from ABS 2016 Census

2.4.2 Projected Household Profile

The graph below shows projected change in household profile over time. The projected aging of the population is not as significant as in many other regional and rural areas, and is reflected in the fact that there are relatively small changes in household types in the period from 2016 to 2036.

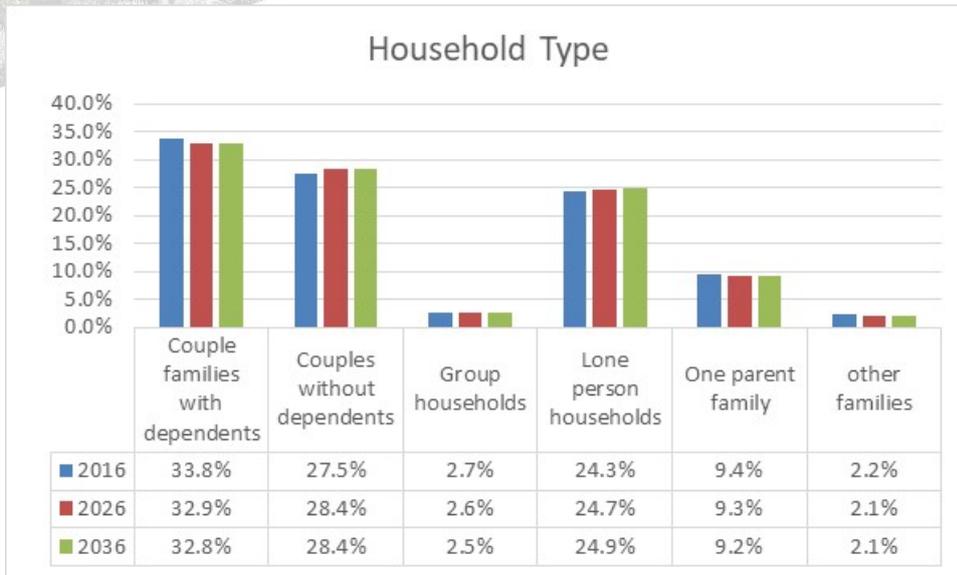


Figure 2.11: Household profile over time.

Source: .id Griffith Population Forecasts 2018

In numerical terms, this translates to an additional:

- 389 Couple with children families
- 121 One parent families
- 21 Other families
- 17 Group households
- 507 Couples without dependents
- 422 Lone person households

As such, this indicates that there will be an additional:

- 929 smaller households (one and two people); and
- 585 larger/family households.

As discussed later, this does not automatically translate to the number and type of dwellings required, as there needs to be an allowance for a proportion of unoccupied private dwellings, and for the extent to which existing supply of dwellings meets local need or demand.

2.5 Relative Levels of Aggregate Disadvantage

2.5.1 Community Disadvantage

In 2016, the **City of Griffith** had a SEIFA Index of Relative Socio-economic Disadvantage (SEIFA Disadvantage)¹⁵ score of 959, placing the LGA in the most disadvantaged 40% of LGAs in Australia. The maps below show SEIFA (Index of Relative Socio-economic Disadvantage) for **SA1s** (a small area containing around 300 people) for Griffith LGA. Rural areas are of generally median disadvantage or above, with areas to the north east more advantaged.

There are pockets of disadvantage associated with the villages of Yenda, Bilbul and Hanwood. Griffith suburb also has areas of significant disadvantage, with much of central Griffith in the lowest decile for disadvantage (most disadvantaged 10% of areas). These areas contain older lower quality private rental stock. One SA1 in the southwest of Griffith suburb, largely consisting of public housing, has a very low score of 499, making this area among the most disadvantaged in the State (bottom 1%).

In terms of SEIFA Disadvantage by State Suburb across the LGA, the suburbs to the south of the LGA (Darlington Point and Whitton) are particularly disadvantaged (the most disadvantaged 10% of Suburbs in NSW), whilst Griffith State Suburb (containing the Griffith urban area) is in the most disadvantaged 20% of suburbs, and Murrami (a rural village) is in the most disadvantaged 30% of suburbs. The distribution of SEIFA Disadvantage is shown by SA1 for the LGA and Griffith State Suburb, and by all State Suburbs in the LGA, in the maps below.

¹⁵ ABS' SEIFA Index of Relative Socio-economic Disadvantage brings together 18 key indicators of socio-economic disadvantage in a weighted index that can be applied at various geographic scales.

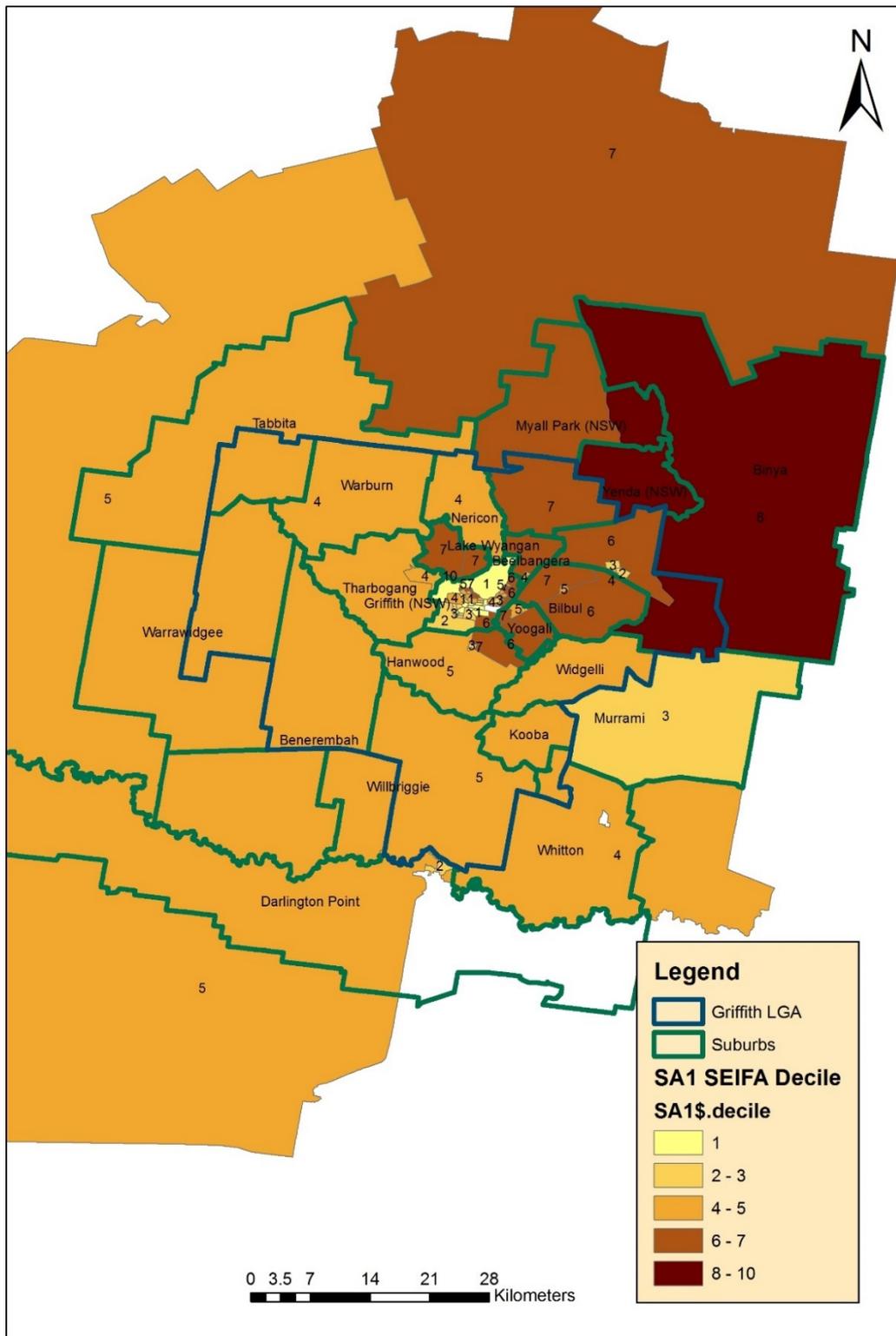


Figure 2.12: City of Griffith showing SEIFA Disadvantage deciles by SA1.

Source: JSA 2018, based on data from ABS 2016 Census

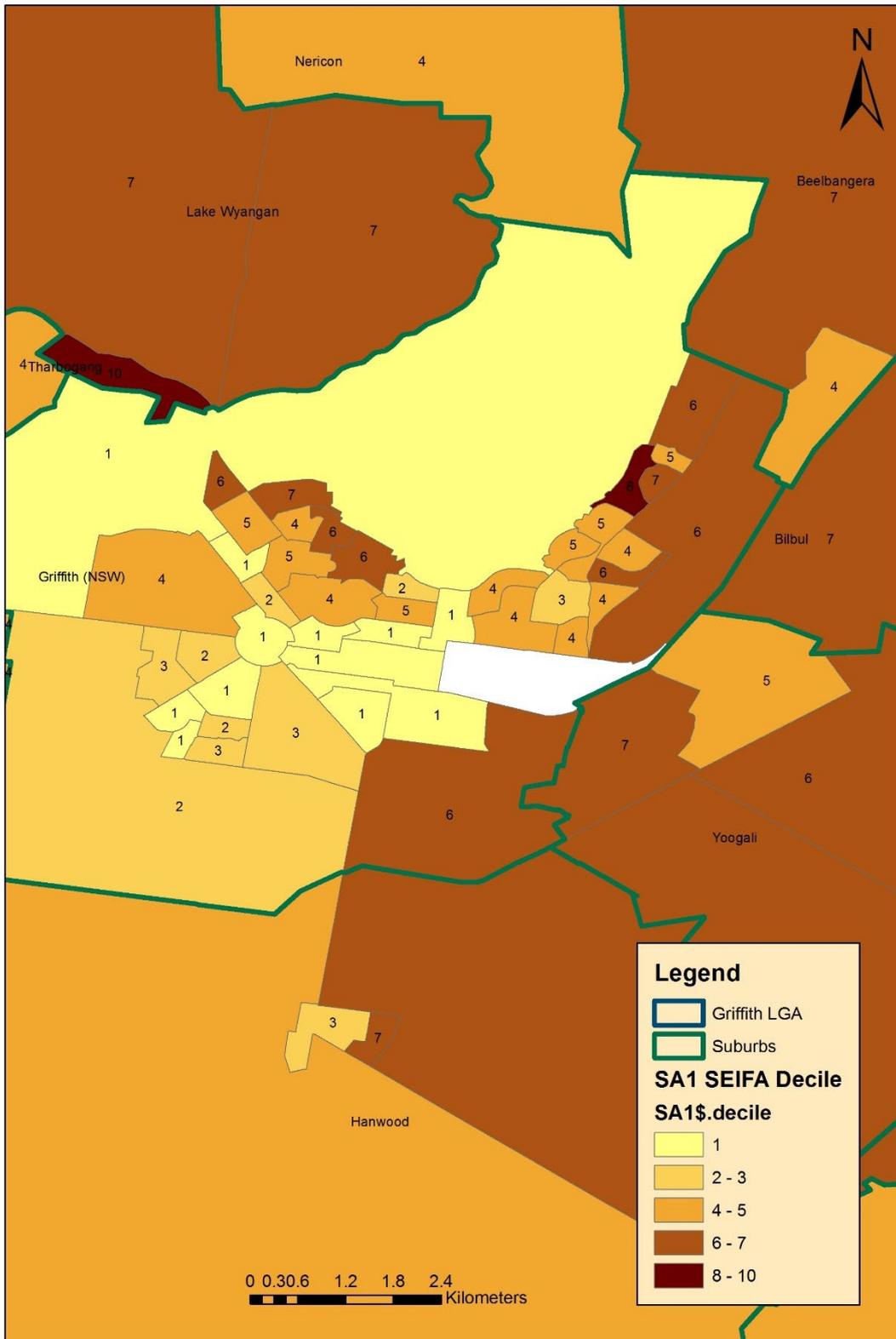


Figure 2.13: Zoom of Griffith State Suburb showing SEIFA Disadvantage deciles by SA1.

Source: JSA 2018, based on data from ABS 2016 Census

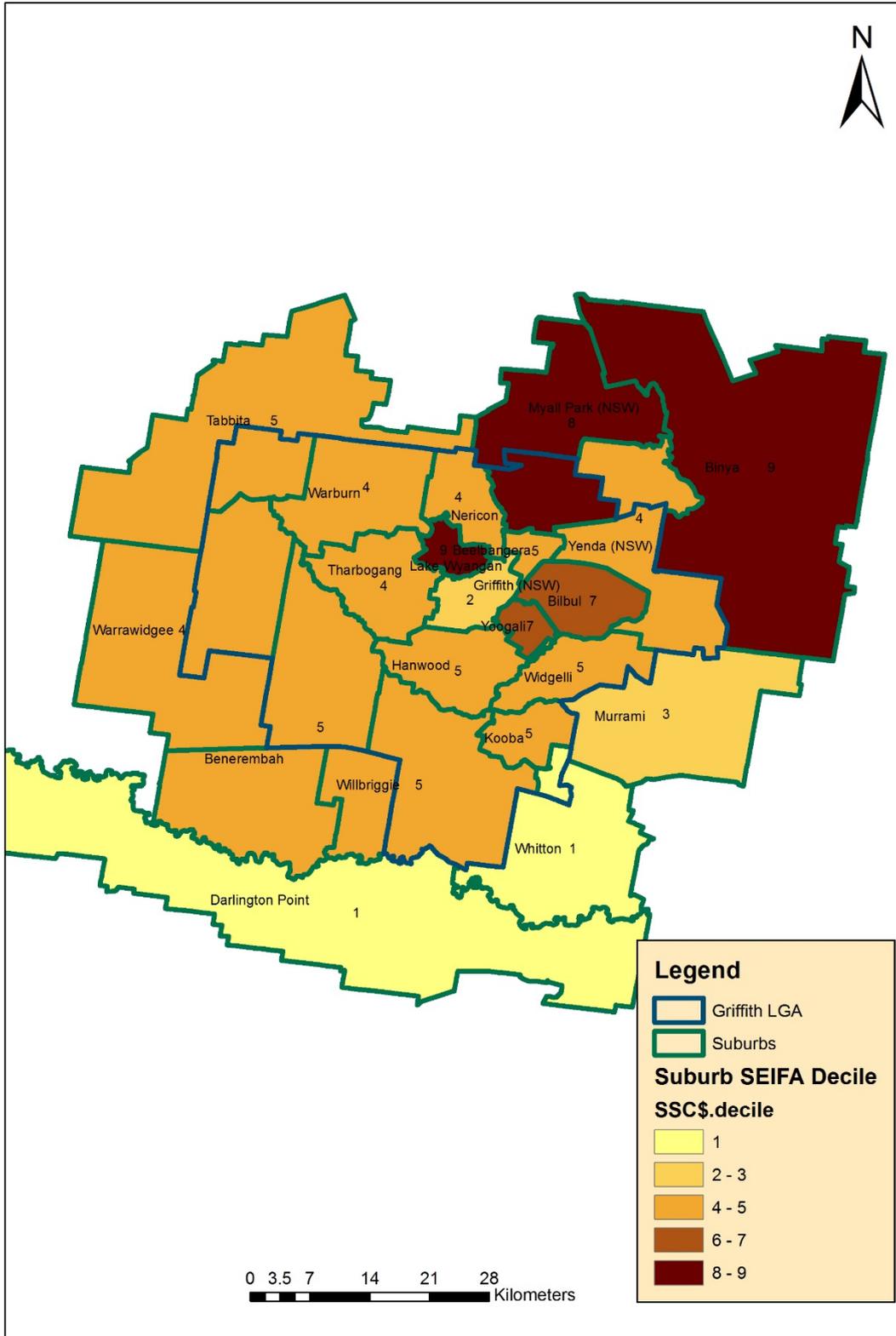


Figure 2.14: City of Griffith showing SEIFA (Disadvantage) deciles by SA1.

Source: JSA 2018, based on data from ABS 2016 Census

2.6 Income Profile

2.6.1 Median Gross Weekly Household Income

In 2016, the median gross weekly household income in City of Griffith was somewhat higher than regional NSW generally (\$1,330 per week compared with \$1,230 for Riverina SA4 and \$1,166 for Rest of NSW), likely related to higher levels of workforce engagement and a younger population.

2.6.2 Gross Weekly Household Income

The graph below shows the distribution of income for City of Griffith compared to benchmark areas. Incomes are generally higher in City of Griffith, again likely reflecting the younger age profile and higher participation in the labour market.

In City of Griffith, 18.3% of households were classified as very low income (earning less than 50% of median household income for Rest of NSW under the statutory definition), 16.4% were classified as low income (earning between 50% and 80% of median household income for Greater Sydney) and 17.9% were classified as moderate income (earning between 80% and 120% of median household income for Greater Sydney).

By comparison, the approximate rates for Rest of NSW are 25%, 15% and 20%.

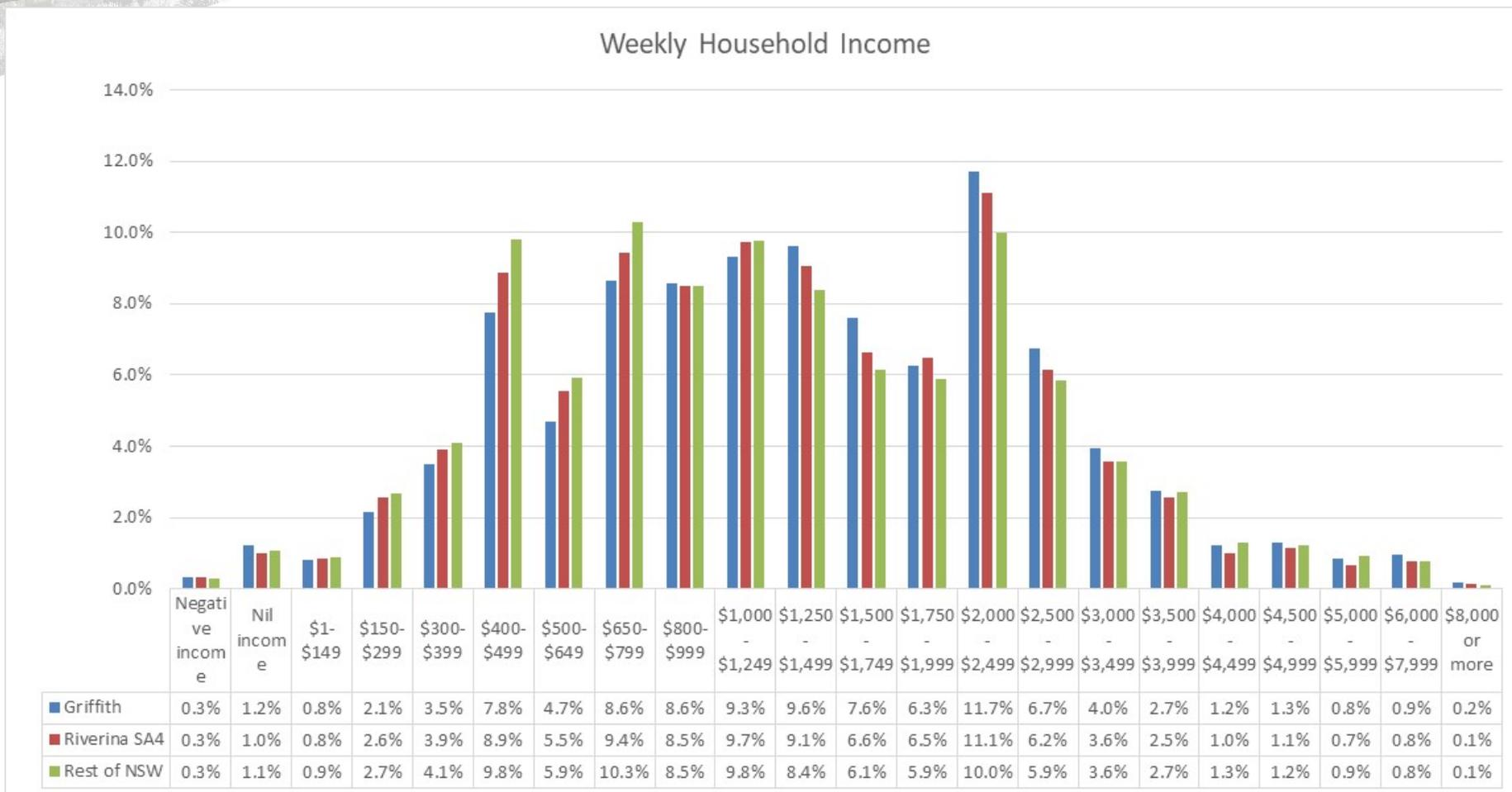


Figure 2.15: Weekly Household Income for selected areas.

Source: JSA 2018, based on data from ABS 2016 Census

2.7 Educational Profile

Despite a somewhat more favourable income profile, people in the City of Griffith typically have lower levels of education compared to benchmark areas.

Year 12 completion rates are lower and four times as many people did not go to school compared with Rest of NSW. For those who have completed education, levels of attainment are lower, with lower levels of post school qualifications. This may be related to the higher proportion of people from overseas, who may have lower educational attainment in their country of origin.

The graphs below show levels of educational attainment for selected areas.

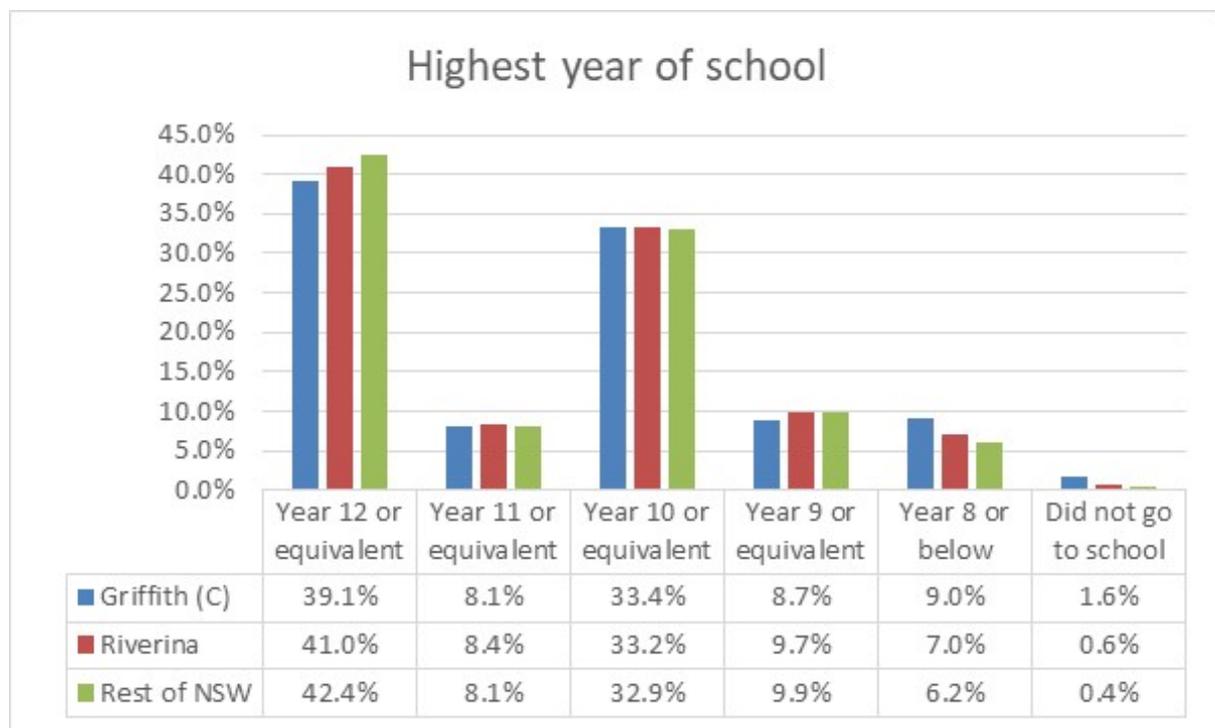


Figure 2.16: Highest year of school for selected areas.

Source: JSA 2018, based on data from ABS 2016 Census

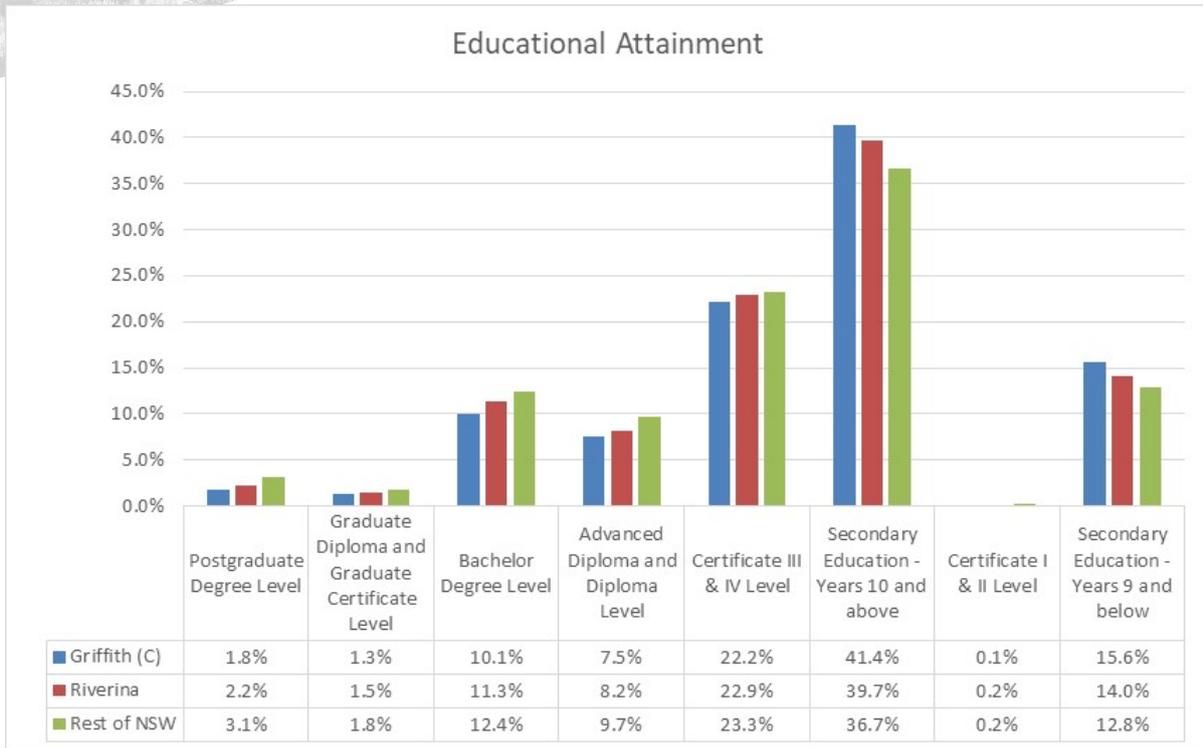


Figure 2.17: Educational attainment for selected areas.

Source: JSA 2018, based on data from ABS 2016 Census

2.8 Aboriginality

A slightly lower than average proportion of people were from an Aboriginal or Torres Strait Island background.

In 2016, 4.8% of people in Griffith LGA were Aboriginal or Torres Strait Islanders, compared to 5.4% for Riverina SA4 and 5.5% for rest of NSW.

2.9 Culturally and Linguistically Diverse Groups

A much higher than average component of the local population was born overseas.

In 2016, 21% of people in Griffith were born overseas, compared to 11% for Riverina SA4 and 12% for rest of NSW. In Griffith, the most common countries of origin are shown in the table below.

While the most common country of origin is Italy, most of these people are aged over 60 years and represent historical migration patterns. The other countries of origin reflect more recent migration, with a higher proportion in the 20-49 age groups. This evidence of recent migration from overseas is likely to explain the generally younger age profile of City of Griffith by comparison with benchmark areas.

Table 2.6: % by Country of Origin of Those Born Overseas

Country of Origin	Proportion of overseas born population
Italy	21.9%
India	20.4%
New Zealand	9.1%
England	5.2%
Philippines	4.5%
Fiji	3.4%
Taiwan	3.3%
Samoa	3.0%
Pakistan	2.5%
Tonga	2.2%
Afghanistan	2.2%
South Africa	1.9%
Malaysia	1.8%
Turkey	1.7%
Cook Islands	1.3%
China	1.3%

Source: JSA 2018, based on data from ABS Census

2.10 Labour Market

2.10.1 Change in Labour Force 2006-2016

City of Griffith has a higher labour force participation rate than the two benchmark areas, with this most likely attributable to the younger population.

The local labour force has increased at a greater rate than Riverina SA4, but lags behind Rest of NSW, noting that this is likely influenced by larger regional cities such as Newcastle and Wollongong that are included in 'Rest of NSW'. The increase in the labour force is just below the rate of population increase, set out earlier.

Table 2.7: Changes in labour force over time

	City of Griffith	Riverina SA4	Rest of NSW
Participation Rate 2016	68%	64%	59%
Change in participation rate 2006-2016	0%	-0.1%	-0.2%
Annual change in labour force 2006-2016	0.7%	0.4%	0.9%

Source: JSA 2018, based on data from ABS Census

2.10.2 Unemployment 2001-2016

Levels of unemployment in City of Griffith are lower than benchmark areas. However, there has been a reasonable increase in the unemployment rate between 2006 and 2016 compared to benchmark areas. This is likely to be attributable to structural change such as the change in employment away from irrigated agriculture and towards manufacturing, aged care residential services and tourism, noted in Section 2.2.2 above, although it is at odds with net jobs growth described elsewhere. It could be that there are higher rates of unemployment among people who have formerly been employed in primary industries like grape growing, of other farmers who have more recently registered as looking for work, whilst jobs created may be taken up by people moving into the area.

Table 2.8: Changes in unemployment rate over time

	City of Griffith	Riverina SA4	Rest of NSW
Unemployment rate 2006	3.9%	5.4%	6.6%
Unemployment rate 2016	4.8%	5.2%	7.0%
Change 2006-2016	+23%	-4%	+6%

Source: JSA 2018, based on data from ABS Census

2.11 Population and Labour Force Mobility

2.11.1 Migration

Overall Migration

The graph below shows inward, outward and net migration for City of Griffith for selected areas for the period 2011 to 2016. Overall, there was a small inward net migration of 235 people, suggesting that most of the population increase in Griffith is as result of natural increase (births).

While there is a small net inward migration from the balance of Riverina SA4 (excluding Griffith LGA), more typically Griffith loses population to the rest of Australia with a net loss of 966 people between 2011 and 2016. This loss of population has been made up for by **inward migration from overseas**, and, based on country of origin data above, these people are likely to be migrants rather than residents returning from overseas travel.

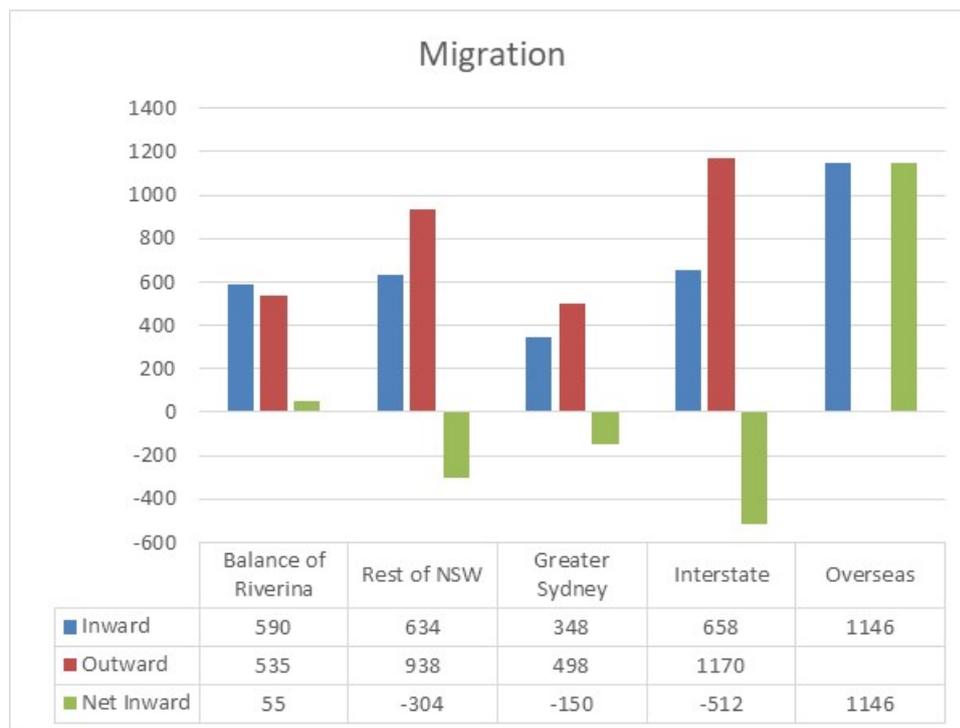


Figure 2.18: Inward, outward and net migration for City of Griffith, 2011-2016 by geography.

Source: JSA 2018, based on data from ABS 2016 Census

Migration and Age

The majority of inward migration to City of Griffith is in the **young adult age group**, as would be expected from the high level of inward migration from overseas. This group also has the largest outward migration, which is typical of regional areas as people leave to seek education and employment opportunities elsewhere.

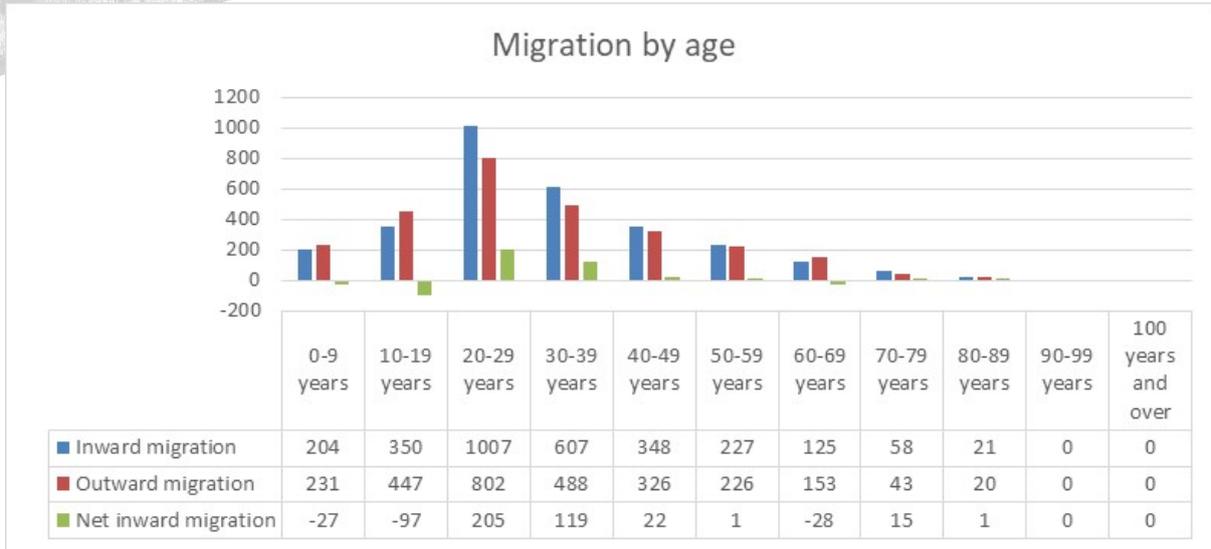


Figure 2.19: Inward, outward and net migration for City of Griffith, 2011-2016 by age group.

Source: JSA 2018, based on data from ABS 2016 Census

Migration and Income

Net inward migration to City of Griffith is generally in the **\$650-\$999 per week income bands**. If these people were in single income households, the households would be characterised as low income households.

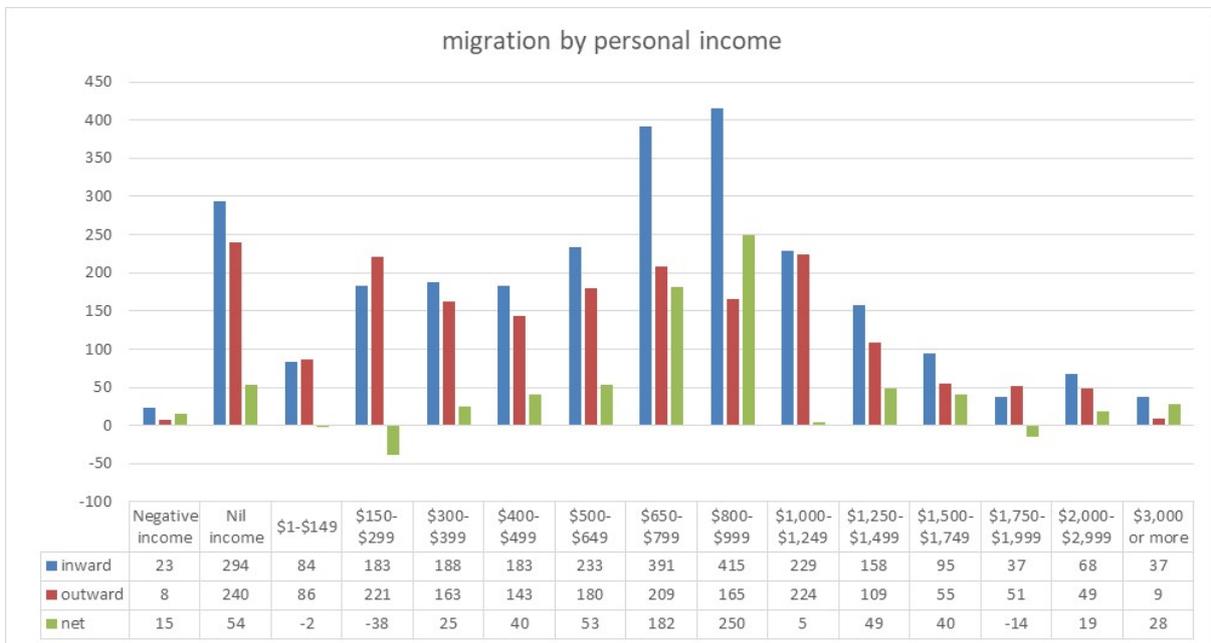


Figure 2.20: Inward, outward and net migration for City of Griffith, 2011-2016 by personal income.

Source: JSA 2018, based on data from ABS 2016 Census

2.11.2 Labour Force Mobility and Containment

The table below shows the place of work for people resident in Griffith LGA.

The **local economy is highly self-contained** with over 90% of the workforce working in Griffith LGA and another 4% working in the balance of Riverina.

Around 90% of the jobs in Griffith LGA are held by people resident in Griffith LGA, and another 7% are held by people who commute from surrounding LGAs, suggesting that Griffith is an employment centre for a wider area.

Table 2.9: Place of work for people resident in Griffith LGA

Place of work	
Griffith LGA	91.4%
Balance of Riverina	3.9%
Balance of Australia	4.7%

Source: JSA 2018, based on data from ABS Census

Table 2.10: Place of residence for people working in Griffith LGA

Place of residence	
Griffith LGA	89.6%
Balance of Riverina	6.7%
Balance of Australia	3.7%

Source: JSA 2018, based on data from ABS Census

2.12 Change in Socio-economic Wellbeing

Overall, the Griffith population has become significantly worse off over the period 2006-2016 in terms of key indicators of socio-economic wellbeing. It is likely that structural change away from irrigation based agriculture and to service jobs and manufacturing (as evidenced by employment data and discussed above) has led to higher levels of unemployment, and the inward migration of a lower skilled and lower paid workforce.

This can be seen in the very large drop in the ranking of SEIFA Disadvantage and SEIFA Education and Occupation, the relatively large increase in unemployment, the increase in the proportion of low income households and the increase in low income renting households; although there is some

evidence of increased social polarisation, with an increased proportion with degrees or higher qualifications, and an increase in median household incomes.

Table 2.11: Selected indicators of gentrification showing proportional change, 2006-2016.

Indicator	NSW			Griffith LGA			Regional NSW (excl. Sydney)		
	2006	2016	Change	2006	2016	Change	2006	2016	Change
SEIFA Disadvantage (percentile)				56	40	-16			
SEIFA Education & Occupation (percentile)				33	20	-13			
Median age	37	38	+1	35	37	+2	40	43	+3
Median household income	\$1,039	\$1,482	+43%	\$993	\$1,330	+34%	\$795	\$1,166	+47%
Low income households (% of all households)	14.2%	14.3%	+1%	14.6%	16.4%	+12%	18.4%	18.5%	+1%
Very low income households (% of all households)	18.7%	17.8%	-5%	19.1%	18.3%	-4%	23.0%	22.1%	-4%
Low income renters (of all renters)	15.6%	15.5%	-1%	16.9%	19.6%	+16%	20.2%	20.7%	+2%
Very low income renters (% of all renters)	24.1%	21.5%	-11%	23.9%	23.5%	-2%	30.3%	27.9%	-8%
People age 15+ with degree or higher	16.5%	23.4%	+42%	8.3%	10.5%	+27%	10.3%	14.5%	+41%
Unemployment rate	5.9%	6.3%	+7%	3.9%	4.8%	+23%	7.0%	6.6%	-5.7%

Source: ABS Census 2016

2.13 Homelessness and 'At Risk' of Homelessness

2.13.1 What is homelessness?

The Australian Bureau of Statistics defines homelessness as follows.¹⁶

When a person does not have suitable accommodation alternatives they are considered homeless if their current living arrangement:

¹⁶ ABS 4922.0 (2012) Information Paper – A Statistical Definition of Homelessness

- *is in a dwelling that is inadequate; or*
- *has no tenure, or if their initial tenure is short and not extendable; or*
- *does not allow them to have control of, and access to space for social relations.*

Although some agencies and research categorises people as being in different degrees of homelessness,¹⁷ the ABS treats people in the following Census categories as 'homeless':

- Persons living in improvised dwellings, tents, or sleeping out
- Persons in supported accommodation for the homeless
- Persons staying temporarily with other households
- Persons living in boarding houses
- Persons in other temporary lodgings
- Persons living in 'severely' crowded dwellings

ABS counts people in the following Census categories as 'marginally housed',¹⁸ and therefore at risk of homelessness:

- Persons living in other crowded dwellings
- Persons in other improvised dwellings
- Persons who are marginally housed in caravan parks

2.13.2 Characteristics of homeless people generally

Of people accessing homelessness services in NSW in 2014-15,¹⁹

- 58% were female
- 42% were male
- 51% were under 25, including 22% under 15²⁰
- 25% were Aboriginal
- 51% were homeless and 49% were at risk of homelessness

The primary reasons given for people accessing homelessness services were:²¹

- Housing crises (22%)
- Domestic and family violence (20%)
- Financial difficulties (11%)
- Inadequate or inappropriate dwelling conditions (8%)
- Relationship/family breakdown (7%)
- Previous accommodation ended (6%)

¹⁷ For example, primary homelessness as 'sleeping rough', as well as secondary and tertiary homelessness as variously 'couch surfing', staying in more temporary forms of accommodation, etc.

¹⁸ ABS 20490DO005_2016 Census of Population and Housing: Estimating homelessness, 2016; greater detail on definitions is available in notes to the spreadsheet.

¹⁹ NSW Government (2016) Foundations for change – Homelessness in NSW, page 8

²⁰ Other age groups were not available

²¹ *Ibid*, page 8.

- Housing affordability stress (5%)
- Other reasons (21%)

The ABS' *General Social Survey* provides more detailed information on the characteristics of people who have experienced homelessness in the last ten years, indicating that they are disproportionately young people, while a high proportion are also middle aged²²

- 53% of people were aged 15-34 years compared to 33% of the general population aged 15 or over
- 43% of people were aged 35-64 years compared to 47% of the general population aged 15 or over
- 4% of people were aged over 65 years compared to 19% of the general population aged 15 or over.

The graphs below show:

- Situation ever experienced homelessness
- All reasons for most recent experience of homelessness
- Time since last experienced homelessness
- Length of time of most recent experience of homelessness
- Whether sought assistance from service organisation(s) during most recent experience of homelessness.

In summary, the most common response to homelessness is to stay with friends or relatives, while the most common cause of homelessness was relationship problems. Less than half of respondents had experienced homelessness in the last two years. The median time homeless was around one month, with around one quarter of respondents homeless for six months or more. Only one third of respondents sought assistance with homelessness, and of these, around 70% used housing service providers or crisis accommodation.

²² ABS 20490DO005_2016 Census of Population and Housing: Estimating homelessness, 2016

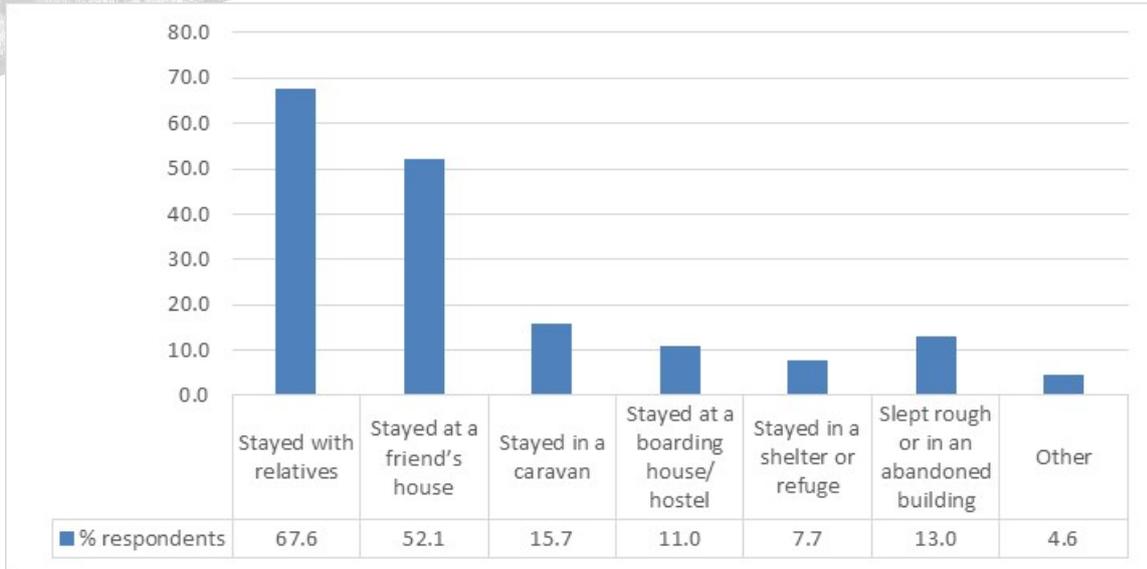


Figure 2.21: Situation ever experienced homelessness.

Source: JSA 2018, based on General Social Survey 2016

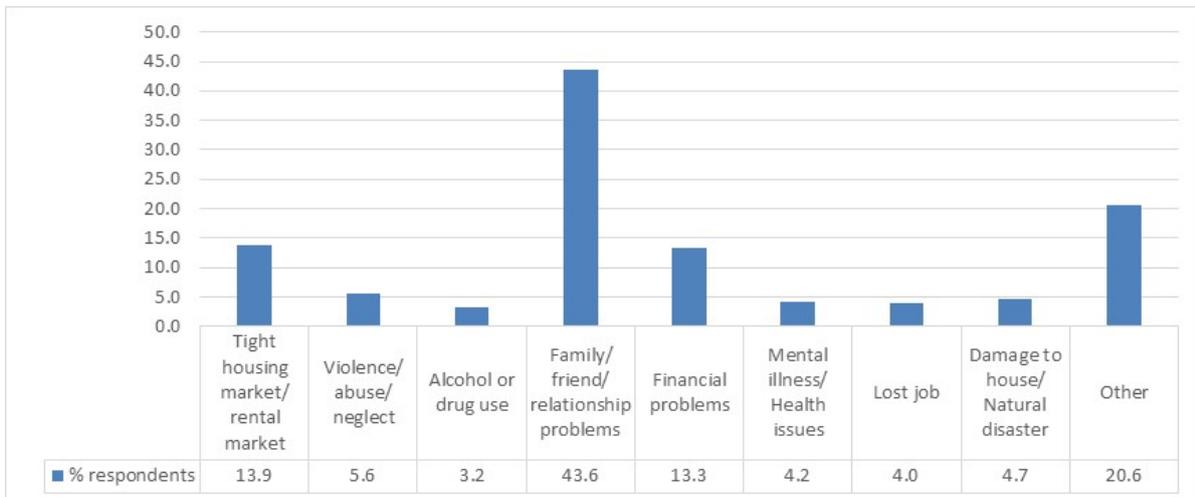


Figure 2.22: All reasons for most recent experience of homelessness.

Source: JSA 2018, based on General Social Survey 2016

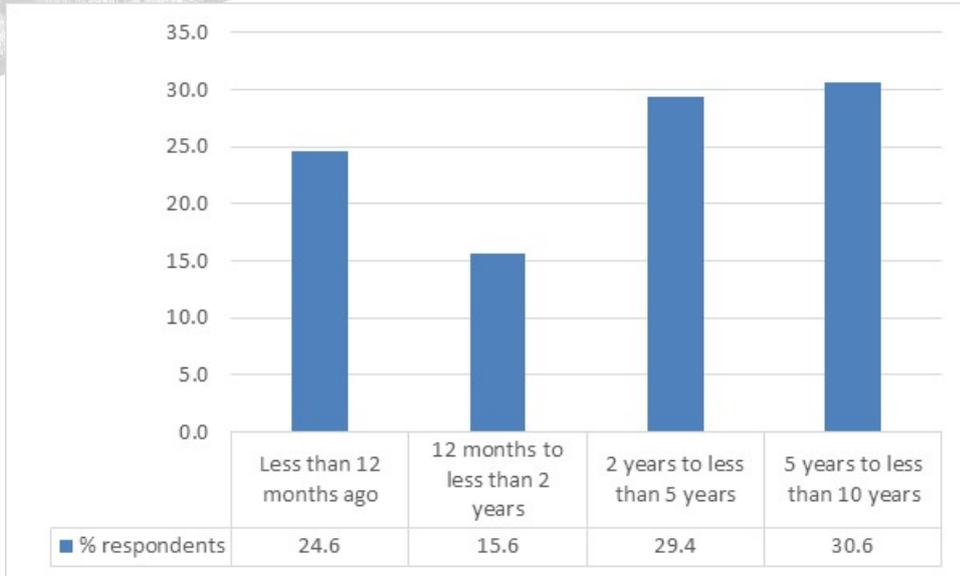


Figure 2.23: Time since last experienced homelessness.

Source: JSA 2018, based on General Social Survey 2016

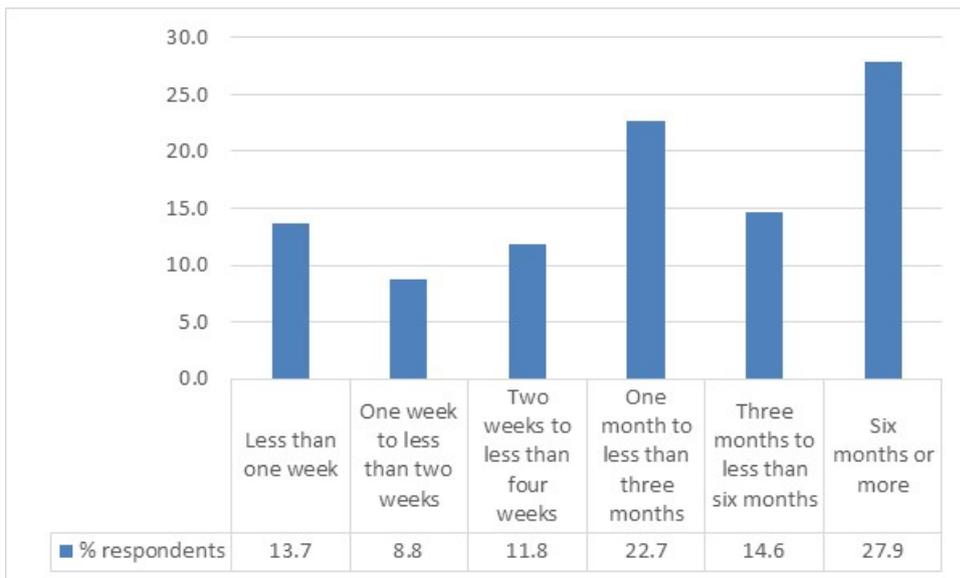


Figure 2.24: Length of time of most recent experience of homelessness.

Source: JSA 2018, based on General Social Survey 2016

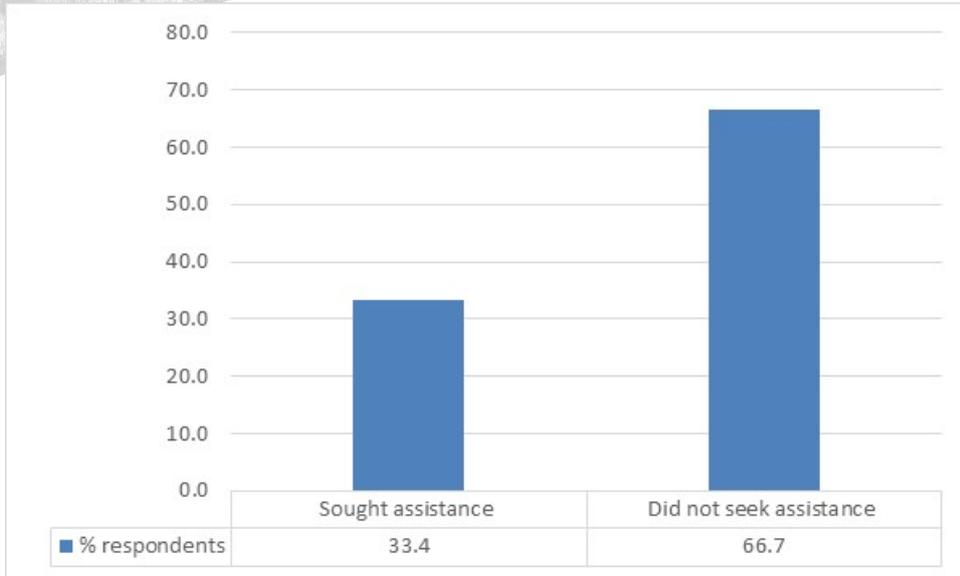


Figure 2.25: Whether sought assistance from service organisation(s) during most recent experience of homelessness.

Source: JSA 2018, based on General Social Survey 2016

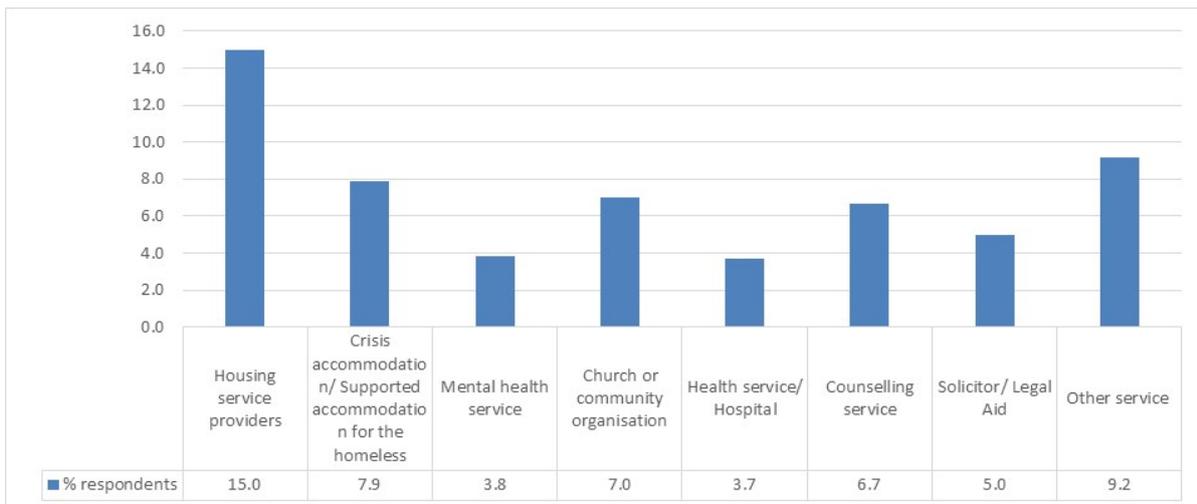


Figure 2.26: All types of service providers used during most recent experience of homelessness.

Source: JSA 2018, based on General Social Survey 2016

2.13.3 Profile of homelessness in Griffith LGA

ABS Data

At the 2016 Census, ABS estimated there were 140 homeless people in Griffith LGA, and an additional 180 people who were marginally housed,²³ or 5.5 homeless people and 7.0 marginally housed people per 1,000 population with the figures largely due to people living in ‘severely

²³ Estimated as prorate on data for Griffith-Murrumbidgee (West) SA3 using homelessness data for Griffith LGA.

overcrowded dwellings'. By comparison, rates for NSW were 5.0 homeless people and 5.0 marginally housed people per 1,000 population, meaning that **Griffith's rate of homelessness is higher than average**. Equivalent rates in 2011 were 4.2 homeless people and 6.2 marginally housed people per 1,000 population for Griffith LGA and 4.0 homeless people and 3.9 marginally housed people per 1,000 population for NSW, suggesting **homelessness in Griffith has increased between 2011 and 2016**.

The above is a count of the number of people homeless or marginally housed on Census night 2016. However, the number of people experiencing homelessness in a year will be much greater, due to undercounting and the fact that the Census provides only a snap shot in time. An estimate of the **annual number** of homeless people in Griffith LGA using homelessness duration data from the General Social Survey is **1,740 to 2,609 homeless people, with a best estimate of 2,175 homeless people in any given year**. Of these around 730 would be expected to seek assistance in total, 330 to obtain assistance from housing service providers and 500 to access housing service providers and crisis accommodation. This may represent repeat episodes of homelessness for some people, particularly those homeless in the short-term, so that this may be better thought of as homeless incidents in a given year.

It is further noted that many people counted as homeless on Census night are able to resolve their homelessness themselves with some assistance, for example, through staying with family or friends, or finding suitable private rental accommodation. However, people who have been homeless for three or more months are at serious risk of long-term homelessness. Considering duration data, this be between 81 and 161 people who are at risk of entering long-term homelessness in the LGA in any one year.

A midpoint of 120 people would be a reasonable assumption of the minimum number of dwellings that would be needed to accommodate this group, or 140 dwellings accounting for ongoing growth of homeless people and general population. This would be a minimum target for people at risk of chronic homelessness in addition to people in housing stress as a measure of affordable housing need, as discussed elsewhere.

2.14 Boarding Houses

In 2016, the ABS Census identified ten people in Griffith LGA resident in a 'boarding house or private hotel'. The NSW office of Fair Trading Boarding House Register shows one boarding house in Griffith. Weekly rates were reported to be \$140 for a single person and \$180 for two people.²⁴

There were no vacancies at the time of writing, and reported to be strong demand for this form of accommodation.

²⁴ Telephone interview with staff person of Alberta Lodge, Canal St Griffith, 20 November 2018.

2.15 Backpacker and working hostel accommodation

There are four backpacker/working hostels identified in the Griffith area.

- Globe Backpackers at 26 Wayeela Street
- Griffith Working Hostels which includes its Original Backpackers at 112 Binya Street and its Shearers Quarters at 1 Remembrance Drive
- Explorers Hostel at 72-76 Benerembah Street
- Citrus Grove Backpackers located outside of town at Farm 45 Thompson Road, Hanwood

These facilities advertise as catering for overseas backpackers looking for seasonal/temporary farm work, particularly grape, fruit and nut picking and pruning. Each of these facilities offers dormitory style accommodation with single beds. Families with children are reportedly not catered for. Advertised rates range from \$20 to \$28 per day and \$120 to \$195 per week, depending on the facility and the season.²⁵

Griffith Working Hostels reported that their guests are all foreign nationals with ages ranging from 18 to 31 years old (average age 22 years old). Maximum stay is 28 days, with many guests leaving and returning to follow work in the region. It is not uncommon for people to check out and re-check in following a 28 day stay. In total, Griffith Working Hostels' two facilities are able to cater for 100 guests, which typically operate at 70% capacity with some peak periods during the year at full capacity.²⁶

2.16 Caravan Parks and MHEs

In 2016, the ABS Census identified 135 people in Griffith LGA resident in a caravan park or similar as their principal place of residence. Two caravan parks were listed in Yellowpages - Griffith Tourism Caravan Park and Griffith Caravan Village.

Griffith Tourism Caravan Park has four long-term or permanent sites and now operates as a tourist park, with a maximum three month stay at a rate of \$30 per night.²⁷ It previously had a number of long-term sites, although the interviewee was not clear on the number of sites that had been lost to long-term rental in recent years.

Griffith Caravan Park currently operates no long-term or permanent sites, although some people are reported as staying up to three months, and one has been there for six months. The park has 60 sites, 17 of these containing cabins. Of these, 8 are reported to be generally rented from 3 weeks to 3 months, with the remainder rented on a short-term or casual basis. The remaining 43 sites are

²⁵<http://www.theglobebackpackersgriffith.com.au/>; <https://www.griffithworkinghostels.com.au/>;
<http://www.explorershostel.com.au/>; <http://www.citrusgrovehostel.com/>

²⁶ JSA telephone correspondence with Griffith Working Hostels, 11 April 2019.

²⁷ Telephone interview with staff person, 20 November 2018.

available for placement of caravans, but all of these are reported to be rented on a week to week basis, with no security of tenure.

The staff person commented that the weekly rental arrangement ensures that there can be a reasonably prompt termination of their stay if problems arise, and that longer-term rental arrangements can sometimes result in social problems. Nonetheless, they agreed with the proposition that there appeared to be a rental housing crisis in Griffith, and said that they could 'rent at least another 5 permanent sites or cabins to people on the register looking for rental housing right now', including a 'young family who came in the other day'.²⁸

Caravan accommodation is also available at Griffith Showground. It is understood that some previous permanent residents of Griffith Tourism Caravan Park have relocated to the showground. Our site visit²⁹ indicates that there are currently around 50 sites accommodating older caravans and mobile homes, as well as a small number of cabins, and that these are generally accommodating longer-term very low and low income households, including older people and those with a disability on pensions and benefits, and low income workers. An expanded or new MHE could be constructed on vacant land and to the northwest. However, any redevelopment of the existing caravan park would need to carefully consider the needs of existing residents, and replace existing accommodation with affordable housing for existing residents, particularly those who have a long association with the site and nowhere to relocate.

2.17 Self-Contained Dwellings in Retirement Villages

2.17.1 Overview

In 2016, the ABS Census identified 269 people living in self-contained dwellings in retirement villages in Griffith LGA. There were three retirement villages listed in Yellowpages - RSL Life Care 0419 781 701, Griffith Scenic Village 6964 7075 and Scalabrini Village 6962 7700.

2.17.2 RSL LifeCare: Soldier Settlers Villages

RSL LifeCare's aged care accommodation comprises 40 one-bedroom homes located in the heart of Griffith located in three 'villages' – Stanley Briggs Village, Cliff Thorne Village and Doug and Olive McWilliam Village. The villages are centrally located within Griffith urban centre, and have access to range of services. All homes are rented, starting at \$318.95 per fortnight. As such, rental is likely to be affordable to very low income households including single aged pensioners in accordance with relevant criteria.

The villages are reported to house a mixture of men and women, mostly single, and generally aged between 65 and 75 years of age. Most did not own a home upon entry, so that other retirement villages that require a large upfront payment would generally be out of reach of those renting in the RSL LifeCare villages. The need for this form of affordable aged accommodation is evidenced by the

²⁸ Telephone interview with staff person, 4 December 2018.

²⁹ December 2018

23 households currently on the waiting list, and that the manager receives 'at least one or two inquiries' about the accommodation from prospective residents each week.³⁰



Figure 2-27: RSL Life Care village, corner Macarthur & Probert Avenue

2.17.3 Griffith Scenic Village

Griffith Scenic Village contains one bedroom unfurnished units suitable for seniors (singles or couples); home-style meals prepared on-site daily; chemist script pick-up and delivery service; on-site village management; a range of entertainment and activities; grounds maintenance and landscaping and a centrally located community room and community dining room.

Apart from a normal tenancy bond, the Village does not require upfront or buy-in fees, and all homes are rented under a Residential Tenancy Lease, and provides affordable rental accommodation for seniors. All units are accessible to people with a disability as are the grounds via continuous undercover access, and the Village is easily walkable to shops and services in Griffith town centre.

Griffith Scenic Village is located within walking distance of public transport, from which shops and services are accessible, and is a short drive to the doctors, hairdresser, hospital and shopping centre.

³⁰ Interview, Manager of RSL LifeCare Griffith, 6 December 2018.



Figure 2-28: Griffith Scenic Village at Clifton Blvd, Griffith

2.17.4 Scalabrini Village

Scalabrini Griffith provides accommodation set within seven acres of planted gardens. A local leader in aged care, the village offers dementia and palliative care services.

It is also a place with an Italian feel, where the Italian language is spoken and understood and where families and children are made welcome. The large courtyards, the outdoor pizza oven and olive trees all contribute to creating the feel of a traditional Italian village.

There are a mixture of single and double rooms.

At the time of writing, there had been several attempts to contact the village to find out more detail on occupancy agreements, etc.

3 Supply and Cost of Housing

3.1 Housing supply

3.1.1 Historical Growth in Occupied Private Dwellings 2006-16

As set out above, the number of occupied private dwellings in Griffith LGA increased by 804 between 2006 and 2016, an annual growth rate of 0.9%. The rate of vacant dwellings has remained generally constant around 9%.

3.1.2 Change in Dwelling Structure 2006-16

Dwellings in Griffith LGA are predominantly separate houses; however, the proportion of separate houses fell from 84.3% to 82.8% between 2006 and 2016, with the proportion of medium density forms of housing, such as semi-detached and townhouses, increasing by 1.5 percentage points, although the proportion of such stock is well below the Rest of NSW average.

The proportion of flats, units and apartments remained constant at 11.3%, although there was a small amount of growth in absolute terms, and the proportion of such dwellings is well above the Rest of NSW average (7.8%), likely due to historical construction of flat buildings, discussed elsewhere.

This is shown in the following graphs.

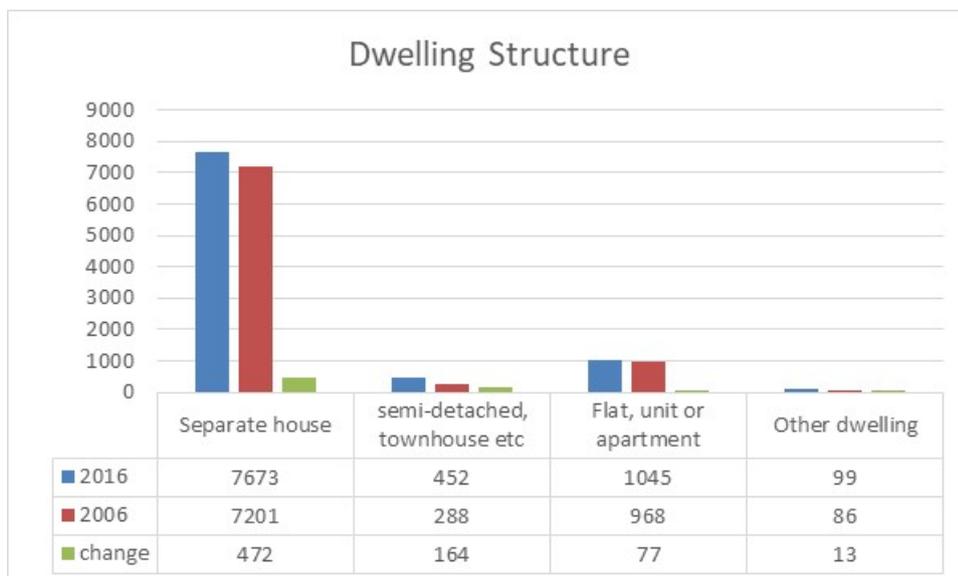


Figure 3.1: Change in dwelling numbers by structure 2006-16– City of Griffith.

Source: ABS 2018 Census

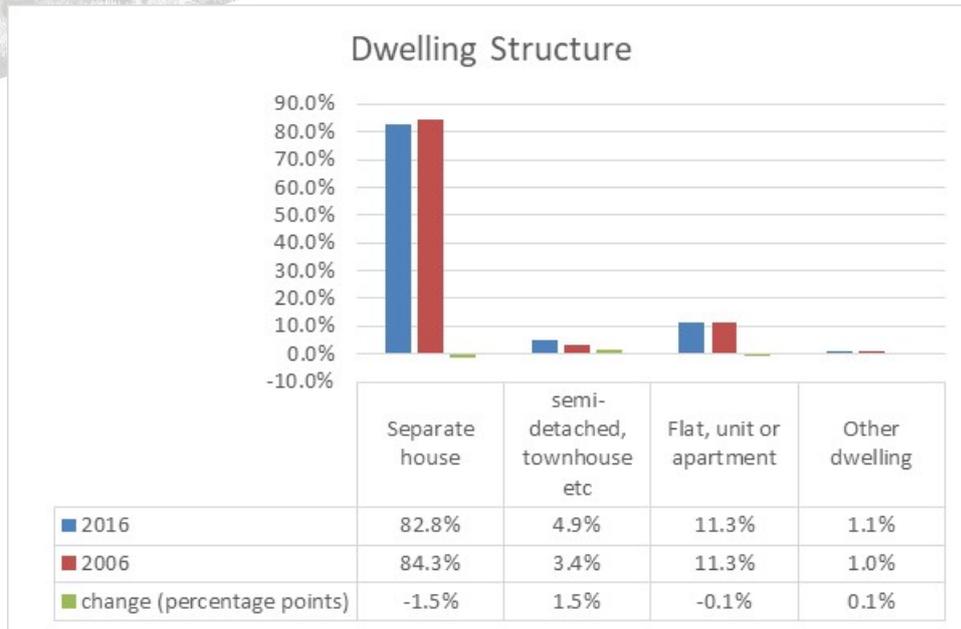


Figure 3.2: Change in dwelling proportion by structure – City of Griffith.

Source: ABS 2018 Census

The graph below shows dwelling structure for selected areas.

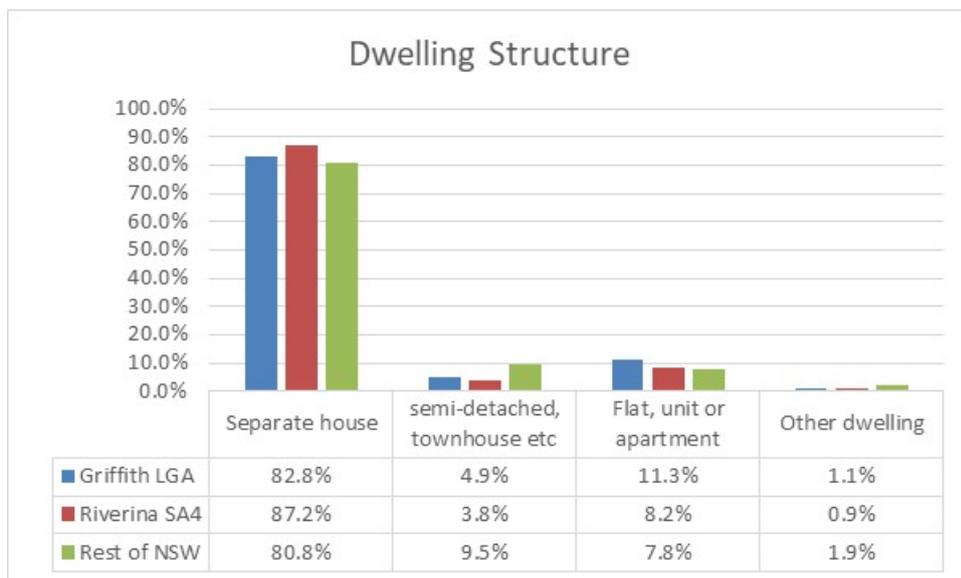


Figure 3.3: Dwelling structure for selected areas.

Source: ABS 2018 Census

3.1.3 Tenure

Rate and Change in Tenure Type

In 2016, 66.8% of housing in City of Griffith was owner occupied, 4.4% was social rental and 28.8% was private rental. The proportion of social rental fell between 2006 and 2016, as did the proportion of owner occupied housing; however, the proportion of private rental increased by 3 percentage points.

The rate of social housing is somewhat lower than average, whilst the proportion of private rental is higher than the Rest of NSW average (29% compared with 24%).

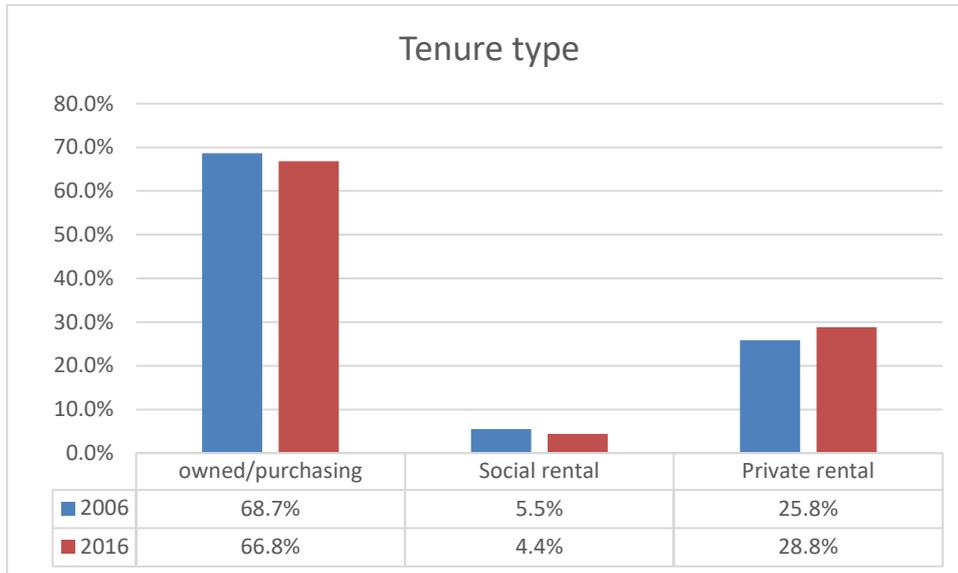


Figure 3.4: Change in tenure type – City of Griffith.

Source: ABS 2018 Census

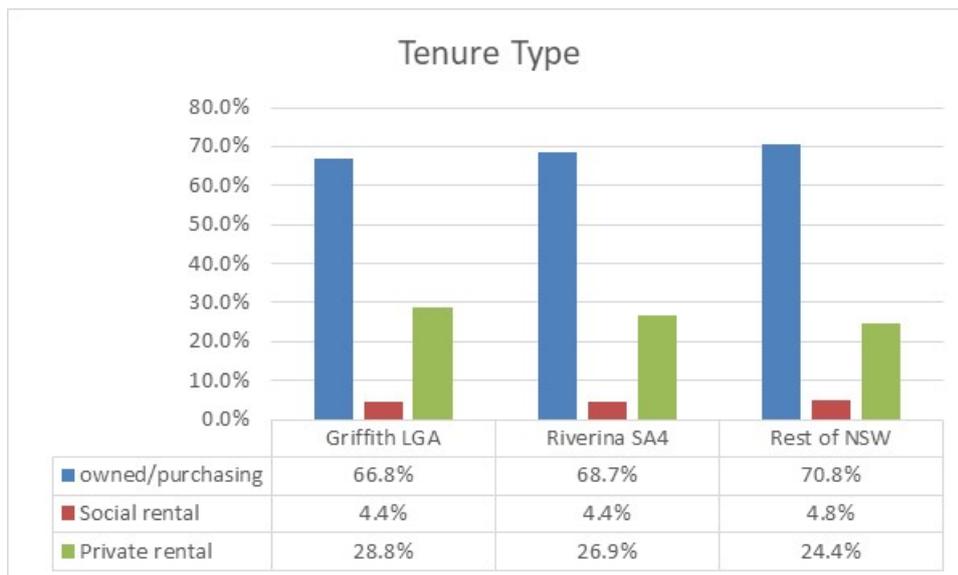


Figure 3.5: Tenure type for selected areas.

Source: ABS 2018 Census

Profile of Private Dwellings

More than 80% of private dwellings in City of Griffith are larger stock of three or more bedrooms, which is not surprising given the relatively low rate of multi dwelling housing and lack of more recent growth in apartments.



Figure 3.6: Number of bedrooms in private dwellings – City of Griffith.

Source: ABS 2018 Census

Profile of Private Rental Stock

More than 60% of private rental stock in City of Griffith is larger stock of three or more bedrooms, leaving around 40% of smaller dwellings, noting that private rental is more likely to be found in strata dwellings.

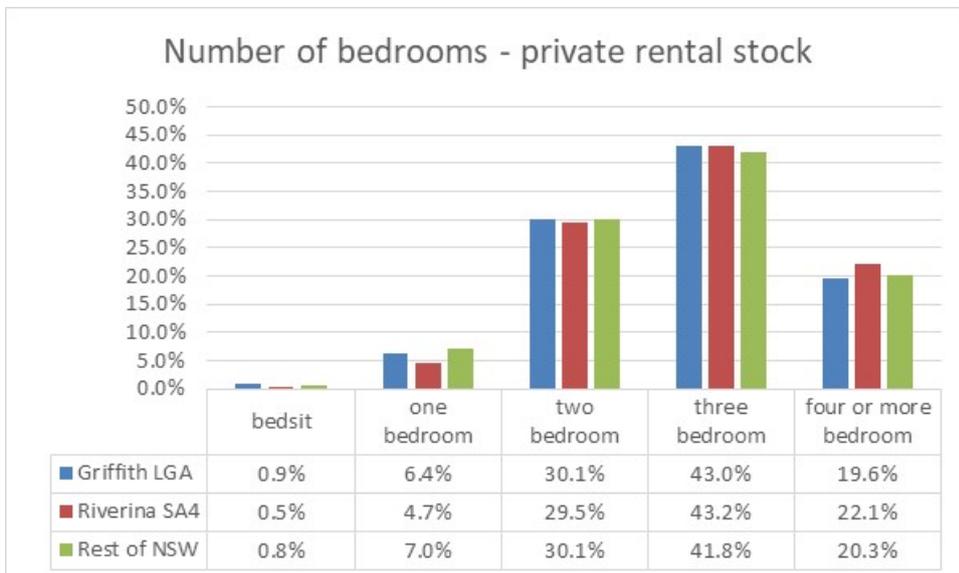


Figure 3.7: Number of bedrooms in private rental stock – City of Griffith.

Source: ABS 2018 Census

3.1.4 Projected Growth in Households and Implied Dwellings to 2036

Projections by .id Consulting³¹ show an increase in the number of dwellings required in Griffith LGA from 10,410 in 2016 to 12,154 in 2036, an increase of 1,744 dwellings.

In 2016, the proportion of smaller households (couple only and lone person) was 51.8%, increasing to 53.3% in 2036. At the same time, the proportion of smaller dwellings (two bedroom or less) was 18.8%.

As noted above, the broad breakdown of household types (which is lower in total than projected dwellings due to allowance for vacancies, etc) was for:

- 929 smaller households (one and two people); and
- 585 larger/family households.

This is looked at further below.

3.2 Dwelling Need/Supply Alignment

As can be seen from the table below, Griffith LGA is well undersupplied with smaller dwellings when supply is compared to likely demand.

Although not all smaller households will require or seek to move into a smaller dwelling, **the lack of supply relative to potential demand is likely to have an increasingly adverse impact upon housing choice and affordability for lower income smaller working households, older people needing to move to a well-located more manageable dwelling, and the increasing proportion of low income renting households.**

Table 3.1: Supply of smaller dwellings against need

Dwelling	Number (2016)	Equivalent Households (2016)	Equivalent Households (2036)	Potential Surplus/ Shortfall (2036)
Smaller (2 bedroom or less)	1,950	5,390	6,480	-4,530
Larger (3 bedroom or more)	8,460	5,020	5,674	+2,786
Total	10,410	10,410	12,154	-1,744

Source: JSA 2018, based on data from ABS Census

As noted, a demand for 585 larger (family) dwellings has been projected by id. Consulting. Although, theoretically, this demand would likely be met though the freeing up of existing three and four bedroom (or larger) dwellings (for example, through increasing the supply of smaller,

³¹ Id. Consulting (2018) *Griffith City Population and household forecasts 2016 to 2036*.

well-located dwellings close to the urban centre for older people, younger single people and couples, etc, in reality there will still be a demand for larger new homes by families as well as smaller households.

Nonetheless, it would be prudent to consider a higher rate of supply of smaller, well located dwellings than is suggested by id Consulting projections.

3.3 Rental Cost and Growth

3.3.1 Rental Price Growth

Increase in median rents for Griffith LGA from 2011 to 2018 suggest strong demand for smaller stock, with no data reported for one bedroom stock (meaning that few if any leases were entered into for this type of dwelling), and increases in two bedroom and three bedroom medians well above benchmarks. Median rents for two bedroom stock increased at twice the rate of rest of NSW, while median rents for three bedroom stock increased at four times the average rate. The only area in which the supply of rental stock appears to be adequate is in 4+ bedroom stock.

Table 3.2: Change in median weekly rental 2011-2018 (in 2018 dollars)

	One bedroom median rental	Two bedroom median rental	Three bedroom median rental	Four or more bedroom median rental
June 2011 quarter				
Griffith	\$160	\$206	\$280	\$400
Rest of NSW	\$183	\$252	\$332	\$400
NSW	\$400	\$423	\$418	\$515
June 2018 quarter				
Griffith	No data	\$260	\$335	\$380
Rest of NSW	\$220	\$280	\$350	\$425
NSW	\$460	\$480	\$450	\$560
Increase (CPI adjusted)				
Griffith	No data	26%	20%	-5%
Rest of NSW	20%	11%	5%	6%

NSW	15%	13%	8%	9%
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Source: JSA 2018, based on data from Housing NSW Rent and Sales Report

3.4 Housing Purchase Cost and Growth

3.4.1 Median purchase price growth

Detailed historical sales data is not available for rural areas. The rate of increase of median sales in Griffith for the period 2011 – 2018 was 13%, less than half the rate of increase for balance of NSW and one fifth the rate of increase for NSW.

This again underlines the high demand for private rental accommodation in the local context, as well as social rental housing for very low income renters at the lower end of the income range.

Table 3.3: Change in median sales price 2011-2018 (in 2018 dollars)

	All sales
March quarter 2011	
Griffith	\$292,000
Rest of NSW	\$342,000
NSW	\$480,000
March quarter 2018	
Griffith	\$333,000
Rest of NSW	\$448,000
NSW	\$802,000
Increase (CPI adjusted)	
Griffith	14%
Rest of NSW	31%
NSW	67%

Source: JSA 2018, based on data from Housing NSW Rent and Sales Report

4 Housing Affordability

4.1 Why is Affordable Housing important?

There is a common misconception that ‘affordably priced housing’ refers only to social (public or community) housing. However, many residents facing affordability problems in Griffith LGA are likely to fall outside the eligibility criteria for such housing, or be unlikely to access it due to long waiting times.

Anyone in the community could need affordable housing. This includes a young person seeking to live near where they grew up, a recently separated or divorced person with children for whom conventional home ownership may no longer be economically viable, households dependent on one (or even two) low waged key worker jobs, or an older person on a reduced retirement income, including after the death of a spouse.

Lack of affordably priced housing not only affects the quality of life of individual families, who may be sacrificing basic necessities to pay for their housing. It also has a serious impact on employment growth and economic development. The loss of young families and workers in lower paid essential service jobs can adversely affect local economies, and is contributing to labour shortages in regions of NSW. The lack of affordable rental housing also increasingly affects business growth and viability. The displacement of long-term residents reduces social cohesion, engagement with community activities (such as volunteering), and extended family support.

As well as impacting on the health and wellbeing of low income families, older and younger people, this can contribute to a lack of labour supply in new and emerging industries, and among ‘key workers’, who are essential to various services including childcare, aged services, health care, tourism, hospitality and emergency services, but whose wage increasingly does not allow them to access rental or purchase housing close to where they work. Affordably priced housing is thus an important form of community infrastructure that supports community wellbeing and social and economic sustainability, including a diverse labour market and economy, and strong and inclusive communities.

Finally, the location of affordably priced housing is a key issue in terms of social equity and sustainability. Providing for a mix of affordably priced housing for different target groups in well-located areas provides for social mix and reduces the potential stigma that can be associated with such accommodation. Locating such housing close to transport and/or major service areas also provides for the needs of key groups including those with a disability and the frail aged, reduces car dependency and the cost of transport, which can be a significant impost on very low, low and moderate income households³² and on the environment.

³² See for example Gleeson, B. and Randolph, B. (2002) ‘Social disadvantage and planning in the Sydney Context’, in *Urban Policy and Research Vol. 20(1) pp101-107*; and Kellett, J. Morrissey, J. and Karuppanan, S. 2012. ‘The Impact of Location

4.2 What is Affordable Housing?

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

‘Affordable housing’ also has a statutory definition under the *NSW Environmental Planning and Assessment Act 1979 (NSW)*, being housing for very low, low or moderate income households. For areas other than Sydney metropolitan areas, *SEPP 70* defines ‘very low-income’ households as those on less than 50% of median household income; ‘low-income’ households’ as those on 50-80% of median household income, and ‘moderate-income’ households as those on 80-120% of median household income for ‘Rest of NSW’.

As a commonly used rule of thumb, affordable housing is taken to be housing where households pay less than 30% of their gross household income on housing costs. This is often regarded as the point at which such households are at risk of having insufficient income to meet other living costs, and deemed to be in ‘housing stress’. Those paying more than 50% of gross income are regarded as being in ‘severe housing stress’.

‘Low cost’ housing is often, though not always, ‘affordable’. For example, in a premium (high amenity) location, even a small, lower amenity strata dwelling may be ‘unaffordable’ to a very low, low or moderate income household.

The following table provides benchmarks that are used in this study when referring to ‘affordable housing’, in 2018 dollars (Dec Quarter), and are consistent with relevant NSW legislation.

Table 4.1: Relevant Affordable Housing Income and Cost Benchmarks

	Very low-income household	Low-income household	Moderate-income household
Income Benchmark	<50% of Gross Median H/H Income for Rest of NSW	50-80% of Gross Median H/H Income for Rest of NSW	80%-120% of Gross Median H/H Income for Rest of NSW
Income Range (2)	<\$609 per week	\$610-\$975 per week	\$976-\$1,462 per week
Affordable Rental Benchmarks (3)	<\$183 per week	\$184-\$293 per week	\$294-\$439 per week
Affordable Purchase Benchmarks (4)	<\$188,000	\$188,001-\$300,000	\$300,001-\$455,000

Source: JSA 2019, based on data from ABS (2016) Census indexed to December Quarter 2018 dollars

- (5) All values reported are in December Quarter 2018 dollars
- (6) Total weekly household income
- (7) Calculated as 30% of total household income

- (8) Calculated using ANZ Loan Repayment Calculator, using 8 April 2019 interest rate (4.80%) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

4.3 Relative Rate of Target Groups in Griffith LGA

The following table shows the relative proportion of households in relevant income bands, including the breakdown of purchasers and renters. Generally Griffith LGA has lower proportions of very low and low income households compared to benchmark areas and similar proportions of moderate income households. This is likely to reflect the younger age profile and higher labour market engagement in Griffith LGA.

Although Griffith LGA has a lower proportion of renting households on **very low incomes** than Rest of NSW average, **this is still 23% of all renters**. When low income renting households are included, **over 40% of renters in the LGA are on very low and low incomes**.

Table 4.2: Proportion of households in income bands for Griffith LGA and Benchmark Areas

	Very low-income household	Low-income household	Moderate-income household
Income Benchmark	<50% of Gross Median H/H Income for Greater Sydney	50-80% of Gross Median H/H Income for Greater Sydney	80%-120% of Gross Median H/H Income for Greater Sydney
Rest of NSW – All households	22.1%	18.5%	17.6%
Riverina Region – All households	20.6%	17.5%	18.0%
Griffith LGA – All households	18.3%	16.4%	17.9%
Rest of NSW – Renting households	27.9%	20.7%	19.3%
Riverina Region – Renting households	26.3%	20.5%	19.4%
Griffith LGA – Renting households	23.5%	19.6%	19.1%
Rest of NSW – Purchasing households	6.4%	9.1%	15.2%
Riverina Region – Purchasing households	5.5%	9.3%	16.3%

Griffith LGA – Purchasing households	3.8%	8.2%	16.6%
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Source: JSA 2018, based on data from ABS (2016) Census

4.4 Distribution of Private Renters by Income

It is also important to understand the distribution of private renters by income, and by rental affordability in a regional area like Griffith. Whilst the income and rental benchmarks above are relevant when assessing ‘affordability’ under NSW policy and legislation, a more fine grained analysis of the actual distribution of the income of private renters provides an understanding of the level of rents that would have to be achieved in the LGA to benefit those most in need.

The following table shows that more than 20% of private renters would need to pay no more than \$203 for their rent to be affordable, and that 14% of private renters could pay no more than \$156 per week. As discussed later, these rents are clearly very difficult to achieve through the private market. Almost one-third of private renters would need to pay no more than \$250 per week in rent. Again, such rents are difficult to achieve in the private market.

The skew of local private renters toward the bottom of the statutory incomes range is also evident when looking at ‘low income’ households. Around 60% of private renters would need to pay rent of no more than around \$469 per week for their rent to be affordable. This provides a particular challenge when seeking to accommodate larger, low income families with children affordably.

Table 4.3: Distribution of income and Affordable Rents for Private Renters in Griffith LGA

	Number of private renters	% of private renters	Affordable rent (upper value)	Affordable rent (\$2018)	Cumulative %
Negative income	0	0.0%	\$0	\$0	0.0%
Nil income	30	1.5%	\$0	\$0	1.5%
\$1-\$149	13	0.7%	\$45	\$47	2.2%
\$150-\$299	51	2.6%	\$90	\$94	4.8%
\$300-\$399	71	3.6%	\$120	\$125	8.4%
\$400-\$499	106	5.4%	\$150	\$156	13.9%
\$500-\$649	144	7.4%	\$195	\$203	21.2%
\$650-\$799	174	8.9%	\$240	\$250	30.2%
\$800-\$999	217	11.1%	\$300	\$313	41.3%
\$1,000-\$1,249	193	9.9%	\$375	\$391	51.2%
\$1,250-\$1,499	228	11.7%	\$450	\$469	62.8%

	Number of private renters	% of private renters	Affordable rent (upper value)	Affordable rent (\$2018)	Cumulative %
\$1,500-\$1,749	186	9.5%	\$525	\$548	72.4%
\$1,750-\$1,999	135	6.9%	\$600	\$626	79.3%
\$2,000-\$2,499	196	10.0%	\$750	\$782	89.3%
\$2,500 or more	209	10.7%	Not applicable	Not applicable	100.0%

Source: JSA 2018, based on data from ABS (2016) Census

4.5 Affordability Analysis for Renters and Purchasers

4.5.1 Overview

Affordable housing is generally delivered by the market in Griffith LGA for **moderate income households**, both for rental and purchase although some households in the lower end of the band may have difficulty renting or purchasing a separate house. While there is some housing stress amongst this group, the majority of this is in purchase and may represent decisions made by households to purchase higher-priced properties in the anticipation of increasing equity or decreasing debt to income ratios over time; or could represent changes in circumstances, such as one person from a couple ceasing work to carry out child care.

Very low income households are effectively excluded from both the private purchase and rental market, although some may be able to affordably rent a room in a boarding house and would benefit from an increased supply of smaller one bedroom dwellings in terms of reduced 'cost' if not affordability.

Most **low income households** could affordably rent a one bedroom strata dwelling, although these are in very short supply in the LGA. Two bedroom dwellings were only affordable to the upper 30% of the low income range, though again, smaller households would benefit from an increase in the provision of smaller two bedroom strata dwellings terms of reduced 'cost' of dwellings. The rental on a three bedroom dwelling was not affordable to any low income households, meaning that families with children are particularly disadvantaged.

Affordable purchase is also a problem for many low income households. The upper 10% could afford to purchase a median priced three bedroom strata dwelling, the upper 70% could afford to purchase a median priced two bedroom strata dwelling, and all could likely purchase a one bedroom strata dwelling (were such more readily available), showing that there is a significant affordability gap for larger low income households.

4.5.2 Rental Cost and Affordability

Rental Affordability in Griffith LGA

The table below shows median rental prices for Griffith LGA compared with Regional NSW and NSW for selected housing products in 2018. Although City of Griffith had lower median prices than Rest of NSW and much lower medians than NSW as a whole, it should be remembered that the former includes the large regional cities of Newcastle and Wollongong, and the latter is strongly influenced by the expensive Greater Sydney housing market.

Table 4.4: Median rental prices for selected areas September quarter 2018

	One bedroom median rental	Two bedroom median rental	Three bedroom median rental	Four or more bedroom median rental
September 2018 quarter				
Griffith LGA	No data (1)	\$260	\$335	\$380
Rest of NSW	\$220	\$280	\$350	\$425
NSW	\$460	\$480	\$450	\$560

Source: JSA 2018, based on data from Housing NSW Rent and Sales Report September quarter 2018

(1) Insufficient one bedroom rental dwellings were available for data to be reported.

In terms of rental affordability in Griffith LGA, median rental properties:

- Are unlikely to be affordable to very low income households, noting that two, three and four bedroom median rents were unaffordable to this group, and that insufficient one bedroom dwellings were available to rent for data to be reported;
- The upper 30% of low income households could affordably rent a two bedroom median rental property, and none could affordably rent a median three bedroom rental property, meaning that low income families with children would be excluded from private rental;
- A moderate income household could affordably rent a median four or more bedroom rental property, so that this group is not problematic in the current local housing context.

Based on data for rest of NSW below, a one bedroom flat, if available, would not be affordable to very low income households, but would be affordable to two thirds of low income households.

Table 4.5: Median Rental Prices (per week) for Selected Housing Products

Dwelling Type	Area	Median Weekly Rent	Target Groups for Whom Affordable
One bedroom flat/unit	Griffith LGA	No data	Insufficient properties available to report data
	Rest of NSW	\$200	85% of low income households and all moderate income households
Two bedroom flat/unit	Griffith LGA	\$260	30% of low and all moderate income households
	Rest of NSW	\$260	30% of low and all moderate income households
Three bedroom house	Griffith LGA	\$330	75% of moderate income households
	Rest of NSW	\$340	68% of moderate income households

Source: JSA 2018, based on data from Housing NSW Rent and Sales Report September quarter 2018

4.5.3 Rental Snapshot

Further insight into the local rental market is provided in a snapshot of rental advertisements that was carried out on 6 November 2018 using domain.com.au. A total of 40 properties were offered for rent. Of these, 1 was affordable to very low income households (the very top end of the band), 13 were affordable to low income households and 36 were affordable to moderate income households.

Table 4.6: Rental Snapshot

	Number (proportion of stock)	First quartile rental	Median rental	Third quartile rental
One bedroom	3 (8%)	\$220	\$230	\$240
Two bedroom	9 (23%)	\$240	\$270	\$340
Three bedroom	19 (48%)	\$310	\$350	\$360
Four or more bedroom	9 (23%)	\$380	\$380	\$420

Source: JSA 2018, based on data from domain.com.au 6 November 2018

4.5.4 Purchase Cost and Affordability

Using sales data from EAC Red Square data base, sales data was analysed for Griffith LGA for the year to November 2018.

Home purchase in Griffith LGA is generally affordable to moderate income households and some low income households; however, it is likely that very low income households will be excluded from purchase of any housing product. Low income families with children may also struggle to afford home purchase of a suitable home.

Results are shown in the tables below.

Table 4.7: Sales data (Strata)

	First quartile price	Median price	Third quartile price
All strata	\$229,000	\$273,000	\$333,000
Two bedroom strata	\$215,000	\$220,000	\$244,000
Three bedroom strata	\$235,000	\$285,000	\$330,000

Source: JSA 2018, based on data from EAC RedSquare data base

Table 4.8: Sales data (Non-Strata, excluding land area greater than 1,000 m²)

	First quartile price	Median price	Third quartile price
All non-strata	\$262,000	\$330,000	\$388,000
Two bedroom non-strata	\$221,000	\$260,000	\$281,000
Three bedroom non-strata	\$242,000	\$320,000	\$360,000
Four or more bedroom non-strata	\$318,000	\$390,000	\$439,000

Source: JSA 2018, based on data from EAC RedSquare data base

Table 4.9: Sales data (Non-Strata, excluding land area greater than 1,000 m²)

	First quartile price	Median price	Third quartile price
Vacant land	\$80,000	\$92,000	\$110,000

Source: JSA 2018, based on data from EAC RedSquare data base

The table below shows affordability of different dwelling types to people on very low, low and moderate income households in Griffith LGA in broad terms.

Table 4.10: Dwelling size by affordability for Griffith LGA

Dwelling	Affordable to:
First quartile strata	Upper 60% of low income household band and to all moderate income households
Median strata	Upper 25% of low income band and to all moderate income households
First quartile separate house	Upper 30% of low income household band and to all moderate income households
Median separate house	Upper 80% of moderate income households

Source: JSA 2018, based on EAC Red Square database, Calendar Year 2017

4.5.5 Analysis of factors affecting purchase price

Methodology

Strata, non-strata and vacant land purchase prices for the year to November 2018 were analysed to understand factors affecting purchase price, and what would need to be addressed to improve affordability.

Overview of findings of Linear Regression Analysis (LRA)

Some key findings emerge from the linear regression analysis (LRA).

There was insufficient data to understand the impacts of number of bedrooms for **strata sales** in Griffith LGA. Strata prices appeared to have been relatively constant over the twelve months.

The LRA indicates that the main determinants of **non-strata purchase price** in the Griffith LGA were **number of bedrooms, number of bathrooms and number of car spaces**.

The main determinant of the price of land in Griffith LGA was the **area of the land**.

The following table shows the basis of these conclusions in more detail.

Table 4.11: Linear regression analysis for strata dwellings in Griffith LGA

Variable	Results	Comment
R ²	0.00	There was no relationship between the only variable, time, and the sales price of strata dwellings
Constant	\$292,350	

Source: JSA 2018, based on EAC Red Square database, year ended November 2018, data excluded sales of multiple properties, common surname with vendor and purchaser, non-significant variables not reported.

Table 4.12: Linear regression analysis for non-strata properties in Griffith LGA

Variable	Results	Comment
R ²	0.36	The variables selected explained around 36% of the variation in prices
Bedrooms	\$31,924	Each bedroom added around \$32,000 to the sales price
Bathroom	\$61,999	Each bathroom added around \$62,000 to the sales price
Car spaces	\$29,230	Each Car space added around \$29,000 to the sales price
Constant	\$77,966	

Source: JSA 2018, based on EAC Red Square database, year ended November 2018, data excludes bedrooms, bathrooms or car not stated, bedrooms >5, common surname with vendor and purchaser.

Table 4.13: Linear regression analysis for vacant land for Griffith LGA

Variable	Results	Comment
R ²	0.44	The variables selected explained around 44% of the variation in prices
Area	\$137.30	Each square metre of land added around \$137 to the sales price

Source: JSA 2018, based on EAC Red Square database, Calendar Year 2017, data excludes area greater than 1,000m², common surname with vendor and purchaser.

Area analysis based on Linear Regression Analysis (LRA)

Modelling has been carried out of likely sales prices for particular dwelling types. It can be seen that housing would be expected to be generally affordable to moderate income households in the City of Griffith, with entry level products affordable to some low income households.

Table 4.14: Modelling of expected sales price for particular dwelling types and locations

Product	Expected sales price	Affordable to
Three bedrooms, one bathroom, two parking spaces	\$294,000	Moderate income households
Project home on 450 m ² lot, (Sekisui House Ebony, 3 bedroom, 2 bathroom, 150 m ² , list price on 6 March 2019 was \$167,000).	\$230,000	Moderate income households and two thirds of low income households

Source: JSA 2018, based on results of Linear Regression Analysis.

4.6 Affordability of Local Boarding Houses

As noted, the NSW office of Fair Trading Boarding House Register shows one boarding house in Griffith, with weekly rates reported to be \$140 for a single person and \$180 for two people.³³ This would be affordable to very low income households in the upper part of the band, one of the only rental products available to this group, although only suitable to smaller households.

There were no vacancies at the time of writing, and reported to be strong demand for this form of accommodation. Although there are reported to be a number of poor quality, informal or unregulated boarding houses, there does not appear to be any recent growth of New Generation Boarding Houses under *SEPP Affordable Rental Housing 2009*, which could meet such demand in affordable but higher quality accommodation.

4.7 Affordability of Caravan Parks

As noted, the two local caravan parks no longer accept long-term rentals (beyond 3 months). At \$30 per night for site rental only (\$210 per week), this could be affordable to a low income household provided they owned their own caravan or manufactured home, and were permitted to bring it onto the site. There is reported to be strong unmet demand for this form of accommodation locally.

Purchase of a manufactured home and rental of the site through the private market is generally not affordable to a low or very low income household (such as a first home buyer) unless they have the capital to buy the home outright, due to exclusive supply arrangements that inflates the price of the home, the lack of conventional finance that leads to payment of 'higher purchase' interest rates, and the high rate of depreciation on the homes.

³³ Telephone interview with staff person of Alberta Lodge, Canal St Griffith, 20 November 2018.

However, they are likely to be an affordable option for an older person or more established family with a reasonable level of capital, especially where they were able to bring their own home onto the site; or where house and site rental was genuinely affordable through management and/or development of the facility by Council or a Community Housing Provider. As discussed elsewhere, the latter can provide a relatively quick response to rental crisis due to the prefabricated nature of homes and the more liberal approvals regime.

4.8 Affordability of Seniors' Accommodation

There is clearly a need for affordable seniors' accommodation to meet growing demand from people on pensions and benefits in the LGA, particularly given the relatively low growth in one bedroom apartments and New Generation Boarding House style accommodation close to Griffith town centre.

Two developments discussed above appear to be providing affordable seniors' accommodation under an appropriate model for very low income older pensioners (smaller, one bedroom villas that are rented under a normal residential tenancy agreement without any upfront fees or chargers or deferred and/or hidden fees that make such accommodation unaffordable or ultimately very high cost to the older person or their families). This model would be suitable as part of a multi-tenure demonstration project or a standalone seniors' development on an infill publicly owned site close to Griffith town centre, as discussed in more detail later.

4.9 Housing Stress

4.9.1 Overview

A commonly used measure of underlying need for affordable housing is the number of households in 'housing stress', or at risk of after-housing poverty.³⁴ A broad 'rule of thumb' for 'housing stress' is when a very low, low or moderate income household is paying more than 30% of its gross income on rental or mortgage repayments, and 'severe housing stress' when such a household is paying more than 50% of its income on such housing costs.

Other factors will clearly affect the financial and social wellbeing of a family, including the adequacy and appropriateness of their housing, and costs that are unequally borne by some households, for example, high health care or transport costs where they live in a regional or rural area.³⁵ As such, housing stress is useful as a broad metric for understanding the comparative affordability of an area, and indicates the potential scale of the problem for planning purposes.

³⁴ See for example Yates, J. 2007. *Housing Affordability and Financial Stress*, AHURI Sydney University, who notes that, often 'housing stress' is defined by the 30-40 rule, that is, that a low income household (in the lowest 40% of household income) will pay no more than 30% of its gross income on housing costs. This broad rule of thumb is often extended to the low to moderate income groups as defined under SEPP 70.

³⁵ See for example Gleeson, B. and Randolph, B. (2002) 'Social disadvantage and planning in the Sydney Context', *Urban Policy and Research* Vol 20(1) pp101-107; and Kellett, J. Morrissey, J. and Karuppannan, S. 2012. 'The Impact of Location on Housing Affordability', *Presentation to 6th Australasian Housing Researchers Conference*, 8-10 February 2012, Adelaide, South Australia.

The following table provides a summary of data below. By far, the largest group in housing stress in the LGA are very low income renters (45% of those in housing stress), with very low income households making up 49% of those in housing stress when very low income purchasers are added.

Table 4.15: Break Down of Relative Housing Stress among Income and Tenure Groups

Housing Stress Summary: Griffith LGA

Income band	Rental	Purchase	Total
Very Low	471 (45%)	47 (4%)	518 (49%)
Low	222 (21%)	106 (10%)	328 (31%)
Moderate	61 (6%)	142 (14%)	203 (20%)
Total	754 (72%)	295 (28%)	1,049 (100%)

Source: JSA 2018, derived from ABS 2016 Census, Table Builder

This is now looked at in more detail for different tenure groups.

4.9.2 Housing Stress among Renters

At the time of the 2016 Census, there were 754 renting households in housing stress in Griffith LGA. Levels of housing stress are generally lower than for benchmark areas, mainly due to the considerably lower cost of rental. In 2016, 29% of renters in Griffith were in housing stress, compared to 39% for NSW and 43% for Rest of NSW.

Again compared to benchmark areas, very low income renting households are less likely to be in severe housing stress. However, as noted above, these benchmark areas contain Wollongong and Newcastle in the case of Rest of NSW, and Greater Sydney for NSW, so that rents are much more expensive on average.

The following graph show the relative housing stress among renters for the relevant areas.

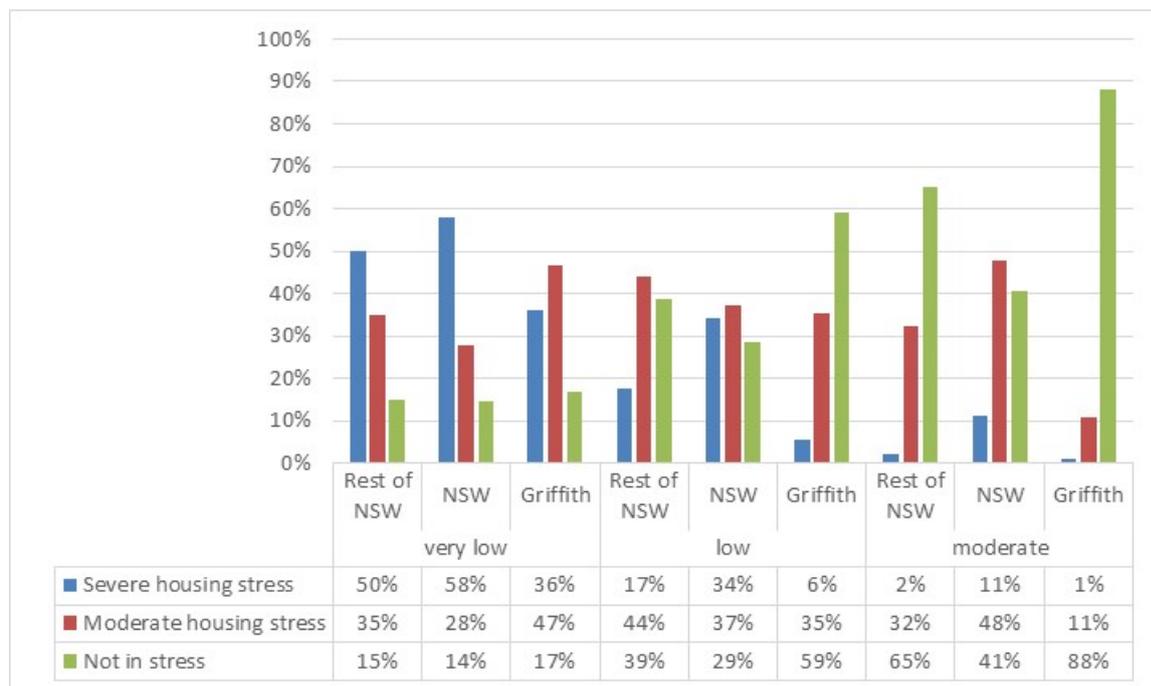


Figure 4.1: Housing stress among very low, low and moderate income renting households

Source: JSA 2018, derived from ABS Census 2016

Over **60% of households in rental housing stress in Griffith LGA were very low income households**, with the balance mostly low income households. Of those households in rental housing stress, **40% were larger households and 60% were smaller households**. Families with children are particularly problematic to accommodate affordably through the private market.

The breakdown in income and household type of those in rental housing stress in Griffith LGA is set out in the table below.

Table 4.16: Households in rental stress for Griffith LGA

	All Renting Households	Lone persons and couple families without children Households	Family and Group Households
Very Low Income Households	471	309	136
Low Income Households	222	84	132
Moderate Income Households	61	16	35
Total	754	409	303

Source: JSA 2018, based on data from ABS Census of Population and Housing 2016 (Table Builder)

4.9.3 Housing Stress among Home Purchasers

At the time of the 2016 Census, there were 295 purchasing households in housing stress in Griffith LGA. Levels of housing stress are generally lower than for benchmark areas. In 2016, 13% of purchasers in Griffith were in housing stress, compared to 14% for NSW and 14% for Rest of NSW.

Compared to benchmark areas, very low and low income purchasing households are less likely to be in severe housing stress. The following graph shows this in more detail.

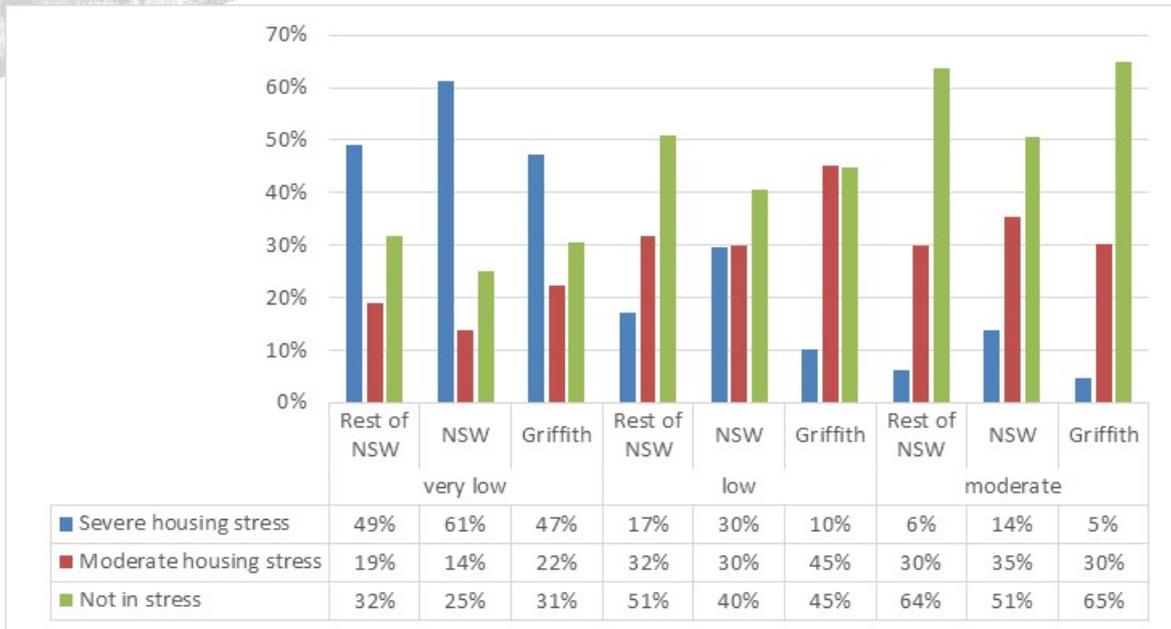


Figure 4.2: Housing stress among very low, low and moderate income purchasing h/hs

Source: JSA 2018, derived from ABS Census 2016

The breakdown in income and household type of those in purchase housing stress in Griffith LGA is set out in the table below. The **largest group of purchasing households in housing stress are moderate income households, with these comprising 48% of households in stress**; with the balance split between very low income (16%) and low income households (36%). Households are **more likely to be larger, with 25% of households Family and Group Households**.

Table 4.17: Households in purchasing stress for Griffith LGA

	All Households	Lone persons and couple families without children Households	Family and Group Households
Very Low Income Households	47	27	9
Low Income Households	106	54	71
Moderate Income Households	142	45	94
Total	295	127	174

Source: JSA 2018, based on data from ABS Census of Population and Housing 2016 (Table Builder)

4.10 'Key Worker' Case Studies

4.10.1 Overview

We have analysed the indicative incomes for different types of 'key workers' likely to be on very low, low and moderate household incomes, and the amount that they could affordably pay in rent. This helps to put a more 'human face' on the problem of affordability in the local context.

Award rates for key workers have been taken from the Fair Work Ombudsman website,³⁶ with key worker industries including aged care, health, building and construction, education, retail and hospitality. Household income bands have been calculated based on median gross household income for Rest of NSW per the ABS Census of Population and Housing 2016,³⁷ and adjusted for inflation using the ABS Consumer Price Index Inflation Calculator.³⁸

Examples of some of these very low, low and moderate income 'key worker' households, using the maximum income benchmarks set out in Section 6.2, are given below.

4.10.2 Very Low Income Key Worker Households (<\$609 p/w)

Some examples of very low income key worker households are as follows:

- A lone person working part-time as a lower-level aged care worker. This person would earn around \$600 for a 30 hour week.
- An adult working part-time as a poultry processor. This person would earn around \$600 for a 30 hour week.
- A lone person working part-time as a cleaner. This person would earn around \$600 for a 25 hour week.
- A couple with a young child, with one person caring for the child and the other working part-time as a nursing assistant. This couple would be on an income of around \$600 for a 27 hour week. Note that this family may receive Commonwealth Rental Assistance of up to \$50 per week depending on their level of Family Tax Benefit.

These households would need to pay less than \$180 rent per week for their housing. **Around 2% of rental dwellings in City of Griffith would be affordable to such a household, whilst very low income renting households make up 22% of renting households in the LGA.**

4.10.3 Low Income Key Worker Households (\$610-\$975 p/w)

Some examples of low income key worker households are as follows:

- An adult working as a wine bottler. This person would earn around \$793 per week.

³⁶ <http://www.fairwork.gov.au/awards-and-agreements/awards/list-of-awards> (accessed 22 July 2015)

³⁷ Based on a median gross weekly household income for Rest of NSW of \$1,166 in 2016 and applying the rate of <50% of median for very low income households, 50%-80% for low income households and 80%-120% for moderate income households.

³⁸ <http://www.abs.gov.au/websitedbs/d3310114.nsf/home/Consumer+Price+Index+Inflation+Calculator>
Accessed 22 July 2015, converted dollars from September Quarter 2011 to June Quarter 2018

- A lone person working full-time as a lower-level aged care worker. This person would earn around \$765 per week.
- An adult working full time as a poultry processor. This person would earn around \$775 per week.
- An adult working full time as a fruit picker. This person would earn around \$719 per week.
- A lone person working full time as a cleaner. This person would earn around \$768 per week.
- A couple with a young child, with one person caring for the child and the other working full-time as an experienced nursing assistant. This couple would be on an income of around \$837 per week. Note that this family may receive Commonwealth Rental Assistance of up to \$50 per week depending on their level of Family Tax Benefit.
- A single parent working full-time as a high-level enrolled nurse. This person would earn around \$897 per week.

These households would need to pay between \$230 and \$270 rent per week for their housing to be affordable under relevant definitions. They would expect to be able to rent a first quartile two bedroom dwelling in Griffith LGA and would be able to affordably purchase a first quartile two bedroom strata dwelling.

4.10.4 Moderate Income Key Worker Households (\$976-\$1,462)

Some examples of moderate income key worker households are as follows:

- A lone person working full-time as an ambulance officer. This person would earn around \$993 per week.
- A lone person working as a teacher. This person would earn around \$958-\$1,326 per week depending on grade.
- A lone person working as level one or two registered nurse. This person would receive a gross weekly income of around \$1,096-\$1,182 per week.
- A couple with one person working part-time as a cleaner and the other as a poultry processor. This couple would receive an income of around \$1,375 per week.

These households would need to pay between \$294 and \$439 rent per week for their housing to be affordable under relevant definitions. Affordable rental and purchase is generally available to these households in Griffith LGA although households at the lower end of the range would have restricted choice.

4.11 Centrelink Recipients Case Study

As a subset of households on very low incomes, people who are receiving some form of Centrelink payment, such as a single aged pension, disability support pension or NewStart allowance, would be excluded from affordable rental in most housing products in the LGA.

Some examples of the affordability situation of very low income households dependent on Centrelink payments are as follows:

- An aged pensioner couple with no superannuation and receiving Commonwealth Rental Assistance. This household would have an income of \$684 per week and could afford to pay \$270 in rent including Commonwealth Rental Assistance. This household could affordably rent a one or two bedroom dwelling in Griffith LGA.
- A single aged pensioner with no superannuation and receiving Commonwealth Rental Assistance. This household would have an income of \$454 per week and could afford to pay \$203 in rent including Commonwealth Rental Assistance. This household could affordably rent a one bedroom dwelling in Griffith LGA, presuming this were available.
- A single person on NewStart and receiving Commonwealth Rental Assistance. This household would have an income of \$270 per week and could afford to pay \$148 in rent including Commonwealth Rental Assistance. **This household could not affordably rent in the City of Griffith.**
- A single parent household with two children receiving parenting allowance and Commonwealth Rental Assistance. This household would have an income of \$560 per week and could afford to pay \$235 in rent including Commonwealth Rental Assistance. **This household could not affordably rent a two bedroom dwelling in the City of Griffith.**

4.12 Projected need for Affordable Housing

4.12.1 Projected Need for Affordably Priced Dwellings

The following table provides a breakdown of the need for affordably priced dwellings by housing type and income group, including current and projected demand based on projected population and dwellings outlined earlier, and assuming existing rates of housing stress. Again, by far the greatest need will be experienced by very low income renters (small and family households).

Table 4.18: Affordably priced housing required in 2016 and additional affordably priced housing required in 2031 by housing type and income group for the Griffith LGA

		Renting Households		Purchasing Households	
		Suitable for Lone Persons or Couples without Children	Suitable for Families	Suitable for Lone Persons or Couples without Children	Suitable for Families
Total Currently Required (2016)	Affordable to Very Low Income Households	309	136	27	9
	Affordable to Low Income Households	84	132	54	71
	Affordable to Moderate Income Households	16	35	45	94
Additional Required 2016-2036 (1)	Affordable to Very Low Income Households	46	20	4	1
	Affordable to Low Income Households	13	20	8	10
	Affordable to Moderate Income Households	2	5	7	14
Total Required in 2036 (1)	Affordable to Very Low Income Households	355	156	31	10
	Affordable to Low Income Households	97	152	62	81
	Affordable to Moderate Income Households	18	40	52	108

Source: JSA calculations, using data from ABS Census of Population and Housing 2016 and id. Consulting Pty Ltd (2017) *Griffith City Population and household forecasts 2016 to 2036*.

(1) Calculated using pro-rata household growth from population projections

5 Planning, Funding & Policy Environment

5.1 Funding and policy environment

5.1.1 Regional affordability issues

This section provides an overview of the funding and policy environment that provides a context to demographic and housing trends outlined above, and to strategic responses to growing affordability issues in the City of Griffith.

5.1.2 Recent State Government Policy Initiatives

Overview

There have been a range of more recent **NSW State Government** initiatives to support maintenance and growth of social and affordable housing. Most recently, these include the Communities Plus initiative calling for expressions of interest for the redevelopment of Land and Housing Corporation sites throughout metropolitan Sydney and regional NSW; and the proposed \$1 billion Social and Affordable Housing Fund.³⁹

Family and Community Services also currently offer grants of \$10,000 per room to encourage the construction of new Boarding Houses or the addition of new rooms to existing premises under the Boarding House Financial Assistance Program.⁴⁰

Future Directions for Social Housing in NSW

In early 2016, the NSW State Government released its ten year strategy to reform the social housing sector in NSW, *Future Directions for Social Housing in NSW*. The strategy has three main priorities:

- To increase the supply of social housing in order to address the demand, including a waiting list that has grown to 60,000 households;⁴¹
- To develop/provide more opportunities, incentives and/or support for people to avoid social housing altogether or to shorten their length of tenure by successfully transitioning into the private market; and
- To improve the social housing experience for tenants.

The first priority, to grow the supply of social housing, will be achieved through 'significant expansion and redevelopment of stock through partnerships with private sector developers and finance' by:

³⁹

[http://www.dpc.nsw.gov.au/programs_and_services/social_impact_investment/blog/osii_to_help_deliver_governments_commitment_for_\\$1_billion_social_housing_fund](http://www.dpc.nsw.gov.au/programs_and_services/social_impact_investment/blog/osii_to_help_deliver_governments_commitment_for_$1_billion_social_housing_fund) accessed 8 January 2016.

⁴⁰<http://www.housing.nsw.gov.au/about-us/programs-and-grants/boarding-house-financial-assistance-program> accessed 8 January 2016.

⁴¹ NSW Government (2016) Future Directions for Social Housing in NSW, accessed online: <http://www.socialhousing.nsw.gov.au/>

- Transferring the management or ownership of **35% of all social housing stock** in NSW to the community housing sector;
- Introducing measures to ensure that social housing stock is better utilised to meet the needs of tenants (e.g. reducing under occupancy, improving allocations, and building new dwellings that are smaller and more ‘fit for purpose’); and
- Providing **\$1 billion** in ‘ongoing financial support’ through the **Social and Affordable Housing Fund (SAHF)** for new social and affordable housing development. However, it is understood that the land component is required to be donated (for example, by local government), and that a minimum of 200 dwellings are required to be created, although these can be on non-contiguous sites, or different local government areas (e.g. with a proposal put together by a consortium of community housing providers). Nonetheless, the scale and amount of land required is likely to favour larger charities with large land holdings in the initial rounds.⁴²

Importantly, *Future Directions for Social Housing in NSW* identifies that people living in regional and rural areas in NSW have different needs to those people living in urban areas, with **18 out of the 20 estates that were identified by the government as ‘highly disadvantaged’ being located in regional and remote areas.**⁴³

The *Future Directions Framework* focuses on ‘renewing and reconfiguring the regional portfolio’ and ‘expanding the types of houses built, including secondary dwellings and market testing other cost effective housing delivery options, such as dual occupancy dwellings’.⁴⁴ The following is particularly relevant:

- **In major regional centres which have good access to services and employment the government, FACS – Housing NSW will implement a program of acquisitions to replace existing stock and expand supply;**
- **In partnership with the NSW Department of Industry, Housing NSW will seek to identify Crown Land in rural and regional areas that may be suitable for the current and future needs of social housing.**

Another relevant focus will be to **investigate options for the use of shared equity loans to help increase home ownership in regional areas where commercial lenders may be unwilling to take on the full mortgage risk, which could assist in freeing up the supply of private rental stock.** As well as developing strategies to increase the supply and diversity of affordable housing through improved market delivery, planning mechanisms, advocacy and development partnerships, these types of opportunities arising from State Government policy will be further explored in the next stage of the project..

⁴² Interviews with larger community housing providers related to other research in which JSA is involved.

⁴³ Ibid pg. 25

⁴⁴ Ibid

Communities Plus

A key plank for the strategy's first priority to grow the supply of social and affordable housing is the **Communities Plus program** which is described as a 'new approach to delivering integrated communities and improved social outcomes' via the redevelopment of LAHC sites undertaken in partnership between the government and non-government and/or private sector. The Communities Plus redevelopment project sites will be aligned with the UrbanGrowth priority renewal areas.

Approximately 40% (41,000 dwellings) of social housing in NSW are located in concentrated housing estates. While a range of social housing estates function relatively well, the NSW Government notes that many estates experience high levels of crime, unemployment, domestic violence, tenancy management problems, poor educational outcomes and associated child protection issues. These experiences can be passed on through multiple generations, reinforcing the cycle of disadvantage.

The NSW Government will introduce Place Plans that will focus on:

- Better access to opportunities such as improved educational outcomes and pathways to training and jobs. This includes building life skills, resilience and community engagement to break down stigmas and foster community leadership
- Timely access to effective and coordinated services such as integrated case management
- Building a stronger and safer community with a positive identity
- Supporting Aboriginal community healing and activities to foster community pride
- Improved physical environment in social housing areas, including infrastructure and community facilities such as working with council and residents to improve the appearance of homes, streets, parks and community facilities.

Four districts have scoped and will be investing in place-based projects to strengthen social housing communities, these being Kempsey, Griffith, Moree and Eden. Opportunities under this initiative will be further explored in consultation with FACS - Housing NSW in the next stage of the project.

Other aspects of the strategy

Other relevant aspects of the strategy include increasing independence for current social housing tenants to improve life opportunities and transition out of social housing. This includes:

- Increasing private rental assistance products and introducing new private rental funding products;
- Reducing disincentives for tenants to gain employment, increasing early intervention for education, and opportunities for tenants to be engaged in maintenance contracts;
- Exploring options to better utilise Government lands for social and affordable housing; Renewing and reconfiguring the regional stock portfolio and expanding the types of houses built through a program of acquisitions to replace dwellings and expand supply in regional centres with good access to services and employment, identifying Crown Land which may be

suitable for future social housing development and investigating shared equity loans to increase home ownership in regional areas.

There are likely to be potential funding opportunities under the Social and Affordable Housing Fund for affordable housing partnerships, and for potential partnerships on existing State Government land and/or the redevelopment of stock to better meet changing needs. This will be explored in more detail in the next stage of the project.

Boarding House Financial Assistance Program

Family and Community Services currently offer grants of \$10,000 per room to encourage the construction of new Boarding Houses or the addition of new rooms to existing premises under the Boarding House Financial Assistance Program.⁴⁵

To be eligible for the BHFAP – New supply grant, your Boarding House project must:

- construct new rooms which are self-contained with private ensuite and a kitchenette;
- comply with all aspects of the *SEPP (Affordable Rental Housing) 2009* for New Generation Boarding Houses, including accessibility and room size requirements;
- intend to provide long term and low cost accommodation for at least five years;
- have a 'residential' rating with local council;
- be operationally viable, with a Boarding House calculator available to help determine if a Boarding House is operationally viable.
- be registered with the NSW Fair Trading once complete; and
- represent value for money and be cost effective.

There may be opportunities under this program to support strategic developments by Griffith Council and/or its partners, as discussed later.

5.1.3 Increasing community sector capacity

Other initiatives have focused more generally on growing affordable housing through **increasing community housing sector capacity to deliver and manage such housing**. These include increased funding for Community Housing Providers (CHPs), transfer of social housing stock to CHPs, including some with title, and regulatory support to increase their professionalism and capacity.⁴⁶

There has also been an increasing emphasis on **development and management partnerships** that can make the most efficient use of Federal and State Government funding and resources, including between State and local government, the private sector and CHPs. The rationale for such partnerships is to increase affordable housing constructed through leveraging State and Federal funding including through access to Council or other publicly-owned land, access to resources created through the planning system, or through the accumulated funds or the borrowing capacity against equity of larger CHPs.

⁴⁵<http://www.housing.nsw.gov.au/about-us/programs-and-grants/boarding-house-financial-assistance-program> accessed 8 January 2016.

⁴⁶ Fact sheets, NSW Federation of Housing Associations.

There are some key differences between the community housing sector and state housing authorities that provide potential financial and resource advantages, and make them attractive affordable housing partners. Whereas FACS - Housing NSW is not eligible to receive Commonwealth Rental Assistance (CRA) payment,⁴⁷ CHPs are able to receive 100% of CRA paid to tenants as part of rent calculation which often enables CHPs to operate at or above breakeven point and potentially generate an operating surplus. Their ability to enter into debt against equity financing arrangements, from which State Government is generally precluded, is also an advantage in entering into development partnerships. There is also an expectation that CHPs will leverage (raise finance against) stock transferred from State Government to them.

A significant slowdown in the economy in 2009 prompted a range of Federal Government actions to stimulate growth. The social housing system was a major beneficiary of government expenditure under Nation Building (economic stimulus), which provided some growth in absolute terms in a sector in NSW as a whole that has been declining relative to need for some decades. However, post-stimulus, the supply of such housing still falls far short of the current and projected need for affordable housing across Australia. Further, many low and moderate income households currently in housing stress would not be eligible for social housing, and those very low income households that *are* eligible generally face a waiting time of many years.

Very low and low income renting households remain problematic groups for whom to achieve affordable housing outcomes, especially in the absence of direct funding and significant subsidies for such groups. As discussed later, the majority of those in housing stress or affordable housing need are very low income renting households, and most would find it difficult to access public and community housing in the current funding environment.

Argyle Community Housing is the main registered provider servicing the Griffith area, and has around 2,500 community housing properties across NSW and the ACT. Argyle has considerable experience in successful affordable housing development and management, and has a branch office in Griffith. Other smaller not-for-profit providers are also active in the LGA, particularly for special needs groups. Some of these provide significant partnering opportunities for Council in the future development of sites, leveraging of capital, and in the effective long-term management of housing and tenancies. (See the Case Study Booklet for examples of the types of partnership projects that have been undertaken).

5.2 Private Rental Assistance Programs

5.2.1 Introduction

NSW Family and Community Services provides a number of programs under the housing pathways program to assist eligible people to enter or remain in the private rental market.

⁴⁷ Rental supplements to low income tenants

5.2.2 Private Rental Subsidy

A Private Rental Subsidy assists people to access affordable accommodation in the private rental market.⁴⁸ The subsidy is available to private tenants who:

- meet social housing eligibility criteria;
- are approved for priority status on the NSW Housing Register;
- have a disability;
- are at risk in their current accommodation.

The program provides a rental subsidy (capped at the median rent for Sydney middle ring suburbs) so that a tenant pays no more than 25% of their income plus Commonwealth Rental Assistance in rent. The situation of tenants is thus similar to those in Community Housing.

5.2.3 Tenancy Guarantee

A Tenancy Guarantee is intended to encourage private landlords and real estate agents to rent properties to people who are having difficulties entering the private rental market.

A Tenancy Guarantee of up to \$1,500 is available to landlords and real estate agents to cover possible rental arrears and/or property damage over and above the rental bond.

5.2.4 Brokerage Services

Services are also available to assist with finding rental properties and entering into tenancy agreements.

5.2.5 Deeper Subsidies under FACS' Housing Pathways

Rent Choice is a form of Private Rental Assistance (PRA) under Housing Pathways that supports households to access safe and affordable housing in the private rental market. It provides medium term financial assistance for up to three years for low to moderate income households, to enable them to secure and sustain a tenancy in the private rental market.

The program assists clients to access support services, including training and employment opportunities, to build capacity to continue living independently after the Rent Choice assistance ends. It ensures that clients are supported in their transition to sustainable independence. The client must express a commitment to sustaining a tenancy while receiving the subsidy and to transitioning to independent living. The client must be willing to receive and continue with support services where relevant.

Clients that receive a Rent Choice Youth, Rent Choice Veterans or Rent Choice Start Safely that are approved to receive a deeper subsidy, are required to have an Independence Support Plan (ISP). The ISP is a person-centred approach to coordinating 'wrap-around' services to support the client to build their capability to transition to housing independence at the end of the subsidy period.

⁴⁸<http://www.housingpathways.nsw.gov.au/additional-information/fact-sheets/private-rental-subsidy> accessed 20 April 2018.

This program has been very valuable in supporting more vulnerable tenants in the private sector, and will be explored in more detail in the next stage of the project.

5.3 The NSW Planning Context

5.3.1 Affordable Housing Support in EP&A Act and related policies

Overview

The retention and creation of affordable housing for very low, low and moderate income households through the planning system becomes more important in the context of constraints to federal policy and funding.⁴⁹ There are significant opportunities for local government to support the creation and maintenance of affordable housing through core planning legislation and policies in NSW compared to most Australian states, with an increasing interest in this policy area by NSW State Government evident. However, there are also significant constraints to action by local government, principally arising from its subordinate relationship to state government in Australia, its lack of planning autonomy, the prescriptive nature of the land use zoning system compared with other international jurisdictions like the UK,⁵⁰ and its constrained economic position and constraints to raising capital through debt financing.⁵¹

⁴⁹ Gurran, N. and Whitehead, C. 2011. 'Planning and Affordable Housing in Australia and the UK: A Comparative Perspective', in *Housing Studies*, Vol. 26, Nos. 7-8, 1193-1214.

⁵⁰ See for example Gurran, N., Milligan, V., Baker, D. Bugg, L. B., Christensen, S. 2008. *New directions in planning for affordable housing: Australian and international evidence and implications*, AHURI Sydney Research Centre, who note that early 20th century Australian planning legislation drew heavily upon UK planning law, with its strong reliance on a prescriptive land use zoning system under the *Town and Country Planning Act 1932*. However, the UK shifted away from this system from 1947, introducing the discretionary system and nationalised development rights, whereas Australia went further down a path of implied development entitlements fixed by zoning. As noted by Gurran and Whitehead, this underlying zoning system of assumed development rights has two main consequences for affordable housing requirements. 'First, the ability to negotiate for a community outcome, such as affordable housing provision, is eroded in advance by establishing development potential ahead of specific planning proposals'. A second consequence is that, when public authorities seek to acquire land not already set aside for public purposes for affordable housing, 'they must do so at a market rate which reflects these opportunities.' This significantly constrains the ability to capture benefit through the approvals process using mandatory mechanisms compared with the UK, and means that the most significant opportunities in the Australian planning context generally rely upon the rezoning of land, imposing effective constraints on development arising from more restrictive zoning that can be varied through incentive-based mechanisms where a share of additional profit is provided for affordable housing, capturing a share of benefit in areas of high land value or major gentrification (new release areas, centres or high amenity precincts), and the mandated protection of low cost dwellings or dwellings types. There is thus more 'finessing' of affordable housing under the regulatory context in NSW compared with for example the UK (see also Stubbs (2003) op cit).

⁵¹ Gurran et al (2008) op cit; Stubbs, J. and Storer, T. 2006, 'Planning at the Margins? The Role of the NSW Planning System in Protecting Affordable Housing' in *Proceedings of the 23rd Australasian Law and Society Conference in Wollongong*, 13-15 December 2006; Stubbs, J. 2003. *Battle for the Right to the City: Opportunities for an emancipatory social practice in a polarising urban landscape*, RMIT (unpublished PhD thesis)

Nonetheless, local government has an implicit role in affordable housing and an impact on affordability through land use zoning, controls, the timing of land release, location of services and facilities, and the levying of rates and development contributions. It can also choose to play a more proactive role in the creation and retention of affordable housing through active intervention in the market through the development of appropriate planning mechanisms and strategies, as discussed below.⁵²

Opportunities and Constraints of Principal Legislation and Related Policies

Unlike jurisdictions such as Western Australia, where the principal planning legislation is silent on the matter of affordable housing,⁵³ the Environmental Planning and Assessment Act 1979 (NSW) has express provisions related to the creation and protection of affordable and low cost housing, and others which may be used to support such housing through the planning and approvals process. NSW local government accordingly has roles and responsibilities relating to affordable housing under planning legislation including state environmental planning policies (SEPPs).

In NSW, objects and a range of related provisions have been progressively included in the Environmental Planning and Assessment Act since 1999, including section 1.3(d) which provides that an objective of the Act is the 'maintenance and provision of affordable housing'.⁵⁴ There are likewise definitions and benchmarks related to 'affordable housing' in core legislation and related policy, though there are practical differences in affordable housing outcomes due to differences in affordable housing definitions in different instruments.⁵⁵

⁵² Stubbs, J. and Storer, T. 2006, 'Planning at the Margins? The Role of the NSW Planning System in Protecting Affordable Housing' in *Proceedings of the 23rd Australasian Law and Society Conference in Wollongong*, 13-15 December 2006.

⁵³ For example, the *Planning and Development Act 2005 (WA)* is silent on the matter of affordable housing. There are no objectives or definitions regarding affordable housing, and no mandatory requirement for a consent authority to take into account the social and economic impacts of development or redevelopment under the Act, which could otherwise be used to mitigate the loss of low cost or affordable housing, as there is in NSW and Victoria. There are also no specific State Planning Policies (SPPs) related to preservation of existing stocks of affordable housing in core planning legislation as there are in NSW, nor to provide for incentives to create affordable housing through, for example, express relaxation of zone controls and development standards where a proportion of stock created is dedicated to affordable rental housing, which is again provided for in NSW under *SEPP (Affordable Rental Housing) 2009*.

⁵⁴ In December 1999, the Act was amended to make the provision of affordable housing a specific objective of the Act; add a definition of affordable housing; and make explicit that environmental planning instruments could include provisions to provide for, maintain and regulate matters relating to affordable housing.

⁵⁵ *State Environmental Planning Policy No 70 (Affordable Housing)* and *State Environmental Planning Policy (Affordable Rental Housing) 2009* each have different benchmarks and definitions which lead to quite different practical outcomes for 'affordable housing'. *SEPP 70* defines 'very low-income' households as those on less than 50% of median household income; 'low-income' households' as those on 50-80% of median household income, and 'moderate-income' households as those on 80-120% of median household income for either Rest of NSW or Sydney SD. Under *SEPP ARH*, affordable housing is defined as housing that is rented to very low, low and moderate income households for no more than 30% of their gross income; or as housing that complies with rents and eligibility criteria under the National Rental Affordability Scheme (NRAS), with the latter based on discount market rents and income eligibility limits. In some markets, the second criterion can result in households paying more than 30% of gross household income in rent (and sometimes substantially more) so that, while the housing must be rented to relevant target groups, it will not be 'affordable'.

Importantly, it is a requirement of the Act that a consent authority take into account the **social and economic impacts** of a development application as part of a merits assessment under s4.15(1)(b). This has obvious applicability to development applications that may result in the loss of affordable or low cost housing, such as low cost flats, Boarding Houses and caravan parks, as well as the assessment of the benefits of an application involving the creation of affordable housing, particularly where this is balanced against other factors as part of the merits assessment. The ability to seek mitigation for loss of affordable housing as part of conditions of consent is also possible under this head of consideration. A growing body of case law in the NSW Land and Environment Court related to social impacts is also relevant.

Likewise, a consent authority is required to consider whether a proposed development is in the **public interest** under s 4.15(1)(e), and a growing body of case law has likewise determined that it is in the public interest to give effect to the objectives of relevant legislation. It is relevant in this regard that the Act has as an objective *'the maintenance and provision of affordable housing'* (1.3(d)).

As such, on the face of it, local government has a role and indeed a statutory responsibility to seek to preserve and create affordable housing through the planning and assessment process. However, there are also limitations to local government's power under the Act, particularly in relation to the levying of mandatory contributions for affordable housing, though arguably its constraints are not as great as some would perceive.

Dealing first with **mandatory contributions**, in June 2000, further amendments were made to the Act in relation to affordable housing to provide consent authorities with the specific power to require, as a condition of consent, the dedication of land free of charge or the payment of a monetary contribution for affordable housing in certain circumstances. *Sections 7.32 and 7.33* were introduced⁵⁶ to provide consent authorities with the express power to impose such conditions 'if a

⁵⁶ The 2000 amendment to the EP&A Act was gazetted in direct response to the effective invalidation of Amendment 6 of South Sydney Council's LEP (on Green Square). Significantly, this had resulted from a successful challenge to Council's affordable housing provisions by Meriton Apartments in the NSW Land and Environment Court. The action was taken in relation to Green Square, a 'brownfields' redevelopment site on the old ACI Glass Factory site at Waterloo-Zetland. Green Square lies within the boundaries of South Sydney Council (SSC), and is affected by the SSC Local Environmental Plan 1998 (Amendment No. 2) – Green Square. The subject site was also affected by the Green Square Affordable Housing Development Control Plan (DCP), under which SSC aimed to include a component of housing affordable for low and very low incomes earners, who had traditionally lived in SSC area and were being rapidly displaced by gentrification. Despite the fact that the DCP provided for only 3% of residential and 1% of commercial floor space (equivalent) to be dedicated to affordable housing as defined in the DCP. Meriton mounted and was successful in having upheld, a Land and Environment Court (LEC) challenge that rendered the provision of the DCP invalid (*Meriton Apartments v Minister for Urban Affairs and Planning (2000) NSW LEC 20 – Decision 18 February 2000*). The decision of Justice Cowdry in this matter (*Meriton Apartments v Minister for Urban Affairs and Planning (2000), NSW LEC 2000*) relied partly on an inconsistency between South Sydney Council's Local Environmental Plan (LEP) and DCP, and partly because it represented a 'fundamental interference with property rights' at common law (p.383). The NSW LEC decision on Green Square referred to had the effect of potentially invalidating all local government Development Control Plans (DCPs) that provided for the inclusion of affordable housing, including those who were attempting to deal with increasing gentrification through capturing some public benefit from the rezoning and redevelopment of existing sites, and had far reaching effects for other local planning schemes.

State Environmental Planning Policy (SEPP) identifies that there is a need for affordable housing within an area' and certain other conditions are met.⁵⁷

The relevant SEPP for this purpose is **SEPP 70 Affordable Housing (Revised Schemes) (SEPP 70)**, which amends relevant local and regional environmental planning instruments to enable the levying of development contributions to provide for affordable housing. *SEPP 70* provides guidance regarding the requirements for assessing housing need, setting contribution levels, apportionment, administration and accountability, and specifies relevant income and rental criteria.⁵⁸ The SEPP has been recently amended to apply to the whole of the State, including differential income benchmarks for regional NSW.

Other express provisions are also contained within the Act to further the affordable housing objectives.

S7.4 of the Act provides for the making of a **voluntary planning agreement** in relation to a proposed amendment to a planning instrument or development application. Under such a planning agreement, the developer is required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose. 'Affordable housing' as defined in the Act is one of the listed 'public purposes'.

A planning agreement is generally advertised in conjunction with the development or rezoning application to which it relates, and forms part of the conditions of consent. A planning agreement is registered and runs with the title to the land, and is binding on, and enforceable against, the owner of the land from time to time as if each owner for the time being had entered into the agreement. The provisions also provide for administrative, reporting, review and other accountability requirements like other forms of development contributions, and may be used in place of or as well as levies with respect to other infrastructure under normal development contributions provisions of the EP&A Act. Importantly, a planning agreement does not have to demonstrate nexus between the development and the public purpose for which it was made.

More flexibility or discretion for NSW State Government is apparently provided for in more recent amendments to the Act in relation '**Special Infrastructure Contributions**', which expressly include 'affordable housing' as defined. This includes the provision, extension and augmentation of (or the recoupment of the cost of providing, extending or augmenting) public amenities or public services, **affordable housing** and transport or other infrastructure relating to land [emphasis added]; and the

⁵⁷ Councils may only use these provisions if a SEPP identifies that there is a need for affordable housing within its area, and a Regional Environmental Plan (REP) or a local environmental plan (LEP) has been made in accordance with the relevant requirements for affordable housing provision set out in the SEPP, and if the Council has a developer contributions scheme set out or adopted in such a plan. The consent authority must be satisfied that that the development in respect of which the contribution is required will result in a reduction of affordable housing, will increase the need for affordable housing, or is in accordance with relevant regulations or zoning.

⁵⁸ *SEPP 70* defines 'very low-income' households as those on less than 50% of median household income; 'low-income' households' as those on 50-80% of median household income, and 'moderate-income' households as those on 80-120% of median household income for Rest of NSW or Sydney SD.

funding of recurrent expenditure in relation to the above, or any studies or other support required (s7.22). Such contributions are not limited to land within a 'special contributions area', although such contributions are not to be required unless the provision of infrastructure 'arises as a result of the development or class of development of which the development forms part' (s7.23(2)(c)).

Reasonable discretion also appears to be provided for in s7.23(3), which states that, despite the limitations of other provisions, 'the Minister may...determine the level and nature of development contributions in the form of a levy of a percentage of the proposed cost of carrying out development or any class of development'. Further, the Minister will determine what part (if any) a development contribution will be 'for the provision of infrastructure by a Council' (s7.23(3A)). It is noted that, in determining the level and nature of contributions, the Minister will, as far as practicable make the contribution 'reasonable with regard to the cost' of infrastructure in relation to the development (s7.23(2)(a)).

There appears to be scope under these provisions to propose the levying of contributions for affordable housing where nexus between the development or class of development and increased demand for affordable housing (as a form of special infrastructure) is demonstrated, and there is reasonableness in the assessment of the level of contribution levied.

Finally, it is noted that Councils often assume greater limitations to their powers than necessary since the gazettal of the 2000 amendments.⁵⁹ However, s7.32(5) makes it clear that 'nothing in this section prevents the imposition on a development consent of other conditions relating to the provision, maintenance or retention of affordable housing'. This, and s1.3(d) and other relevant provisions discussed above, appear to provide sufficient latitude for Councils to engage in, for example, negotiating agreements with developers, identifying circumstances in which it is appropriate to provide for planning incentives through relevant EPIs, mandating diversity or affordability through developing performance criteria or targets in relevant plans (e.g. Masterplan DCPs), requiring social impact assessments to mitigate the loss of affordable housing, or other planning or procedural mechanisms apparently available to further the objects of the Act. A range of more active Councils are engaged in some or all of these activities at present, and these types of activities appear to be legal.

More recent amendments to the Act would also appear to open the door to mandatory contributions as a form of special contributions where nexus can be established and ministerial approval can be obtained, though clarification of the legality of such a position should be obtained from the Department of Planning and Environment. Rationale for the provision of affordable housing as a form of infrastructure and the economic feasibility and reasonableness of mandatory mechanisms (including requiring the provision of or a contribution) towards affordable housing are key matters addressed in the research for the current study.

⁵⁹ See for example, Stubbs, J. 2003. *Battle for the Right to the City*, Faculty of the Constructed Environment, RMIT (PhD thesis).

The gazettal of **State Environmental Planning Policy (Affordable Rental Housing) 2009 (SEPPARH)** aimed to provide a consistent planning regime to encourage and enable the provision of different types of affordable housing to various target groups. In particular, the SEPP aims to facilitate the provision of affordable housing through zone liberalisation, the provision of incentives for delivery of new affordable rental housing including close to places of work, facilitating the retention and mitigation of the loss of existing affordable rental housing, and the development of housing for special needs groups including social housing, New Generation Boarding Houses and supportive accommodation such as General and Transitional Group Homes for disadvantaged groups.

5.3.2 Policy and Legislation on Boarding Houses

Overview

In recent years, the NSW government has initiated policy changes to increase the supply of quality Boarding Houses to meet the needs of a variety of residents including key workers, those who need more flexible housing options and those with special needs,⁶⁰ and to provide a more appropriate regulatory framework to deliver Boarding House services that promote and protect the wellbeing of residents.⁶¹

‘New Generation’ Boarding Houses

The NSW *State Environmental Planning Policy Affordable Rental Housing 2009 (SEPPARH)* encourages the creation of ‘New Generation’ Boarding Houses that provide low cost and flexible rental housing to suit a range of different tenant groups such as single retirees, working singles, homeless, students and young couples.⁶² The SEPP includes standards for proposed Boarding Houses that must be satisfied prior to development consent.

The Government provides various incentives for proprietors of Boarding Houses, such as land tax exemption or reduction in land value, and grants for essential fire-safety works. In order to receive these incentives, certain requirements or conditions must be met. For example, an exemption for the 2014 tax year is available where at least 80% of the accommodation is available for Boarding House residents and maximum tariffs per room must not be exceeded.⁶³

Recent legislation and regulatory support for Boarding Houses, including the *Boarding Housing Act 2012 (NSW)* has also provided a more robust framework for such development, improved

⁶⁰ Affordable Rental Housing State Environmental Planning Policy 2009, Regulation 30, Standards for Boarding Houses.

⁶¹ Boarding Houses Bill 2012, Part 1, Clause 3, Object of this Act.

⁶² NSW Government, Supporting Affordable Rental Housing – New Generation Boarding Houses fact sheet, accessed 10 June 2015 at http://www.planning.nsw.gov.au/plansforaction/pdf/Affordable%20Housing_Fact_NewGenerationBoardingHouses.pdf.

⁶³ NSW Office of State Revenue, Revenue Ruling No. LT 93, Exemption – Land Use and Occupied Primarily for a Boarding House – 2014 Tax Year, accessed online 12 January 2016 at <http://www.osr.nsw.gov.au/info/legislation/rulings/land/lt093>

management requirements, design standards and amenity, and increased the attractiveness of this form of development as a legitimate tenure form.

Well designed and managed ‘New Generation’ Boarding Houses provide a significant opportunity for housing a range of smaller low and very low income households affordably in the local context, including as part of multi-tenure developments. Relevant case studies are provided in the *Affordable Housing Case Studies Booklet* that accompanies this *Background Report*.

5.4 The Regional Planning Context

Griffith LGA is located in the Riverina region of NSW, the traditional country of the Wiradjuri nation. Although originally quite sparsely populated in the early days of European settlement and dryland agriculture, the construction of the Murrumbidgee Irrigation Area brought new opportunities to the area, seeing the emergence of the town of Griffith as a growing urban centre from the early 1900's.⁶⁴

The close of the World Wars brought not only a number of ex-servicemen to the region as part of soldier settlement schemes and growing employment opportunities, but also Italian immigrants who were attracted to the area by the similarity of landscape to their homeland, with Italian culture still a dominant aspect of the LGA today. The region has a rich history of agriculture, currently producing 80% of NSW wine grapes, 70% of NSW citrus production and 90% of Australia's rice production.⁶⁵

Griffith is often regarded as the ‘regional capital of Western Riverina’, and a major service centre for a range of inland regional towns, with a residential population of around 26,000 people at the time of the 2016 Census, and a regional service catchment of around 60,000 people.

Although the population is projected to age, this is not as dramatic as other areas of regional NSW, which already have much older populations and often do not have the employment and service opportunities that continue to attract younger people and families to Griffith. In 2016, the median age of the LGA was 37 compared with 43 for regional NSW.⁶⁶ As noted, these local advantages also flow on to higher local median income compared with the rest of regional NSW and the Riverina region, despite the much lower than average rate of post-secondary qualification, high school completion and very low SEIFA Education and Occupation status (in the lowest 10% of areas for NSW on this weighted index).⁶⁷

However, ongoing economic growth and the area's positive lifestyle must be looked at in the context of a worsening affordability crisis in metropolitan centre of Sydney and Melbourne, and regions in close proximity to these centres. This is flowing on to regional centres like Griffith, which is attracting a growing number of ‘tree changers’ as well as seasonal workers, employed contractors and professionals, and others seeking lower cost housing and improved lifestyle. This is placing increasing

⁶⁴ http://www.griffith2016.com.au/cp_themes/default/page.asp?p=DOC-OVR-64-57-30

⁶⁵ http://www.griffith2016.com.au/cp_themes/default/page.asp?p=DOC-OVR-64-57-30

⁶⁶ ABS (2016) Census

⁶⁷ ABS (2016) Census

demand on the lower cost stock of private rental and social (public and community) housing locally, and pushing up prices amid constrained supply.

As Council notes, the current housing shortage in Griffith is jeopardising economic growth and development, as local businesses report that they are finding it increasingly difficult to recruit staff due to current housing supply, affordability and accessibility issues.

Growing supply-side issues have been recognised in State Government strategic planning documents. For example, the *Draft Riverina-Murray Regional Plan* was released by the NSW Government in 2016 as a guide to sustainable growth for the region over the next 20 years. The *Plan* identified a number of key housing issues that face the region, including affordable housing.⁶⁸

Although the Riverina-Murray region is relatively affordable compared to other areas in NSW, some parts of the region, including Griffith, Coolamon and Gundagai, are reported to have experienced significant rental supply shortages as private rental stock is converted to owner-occupied housing, and increasing pressure is placed on rental stock, which is failing to keep pace with demand. This is supported by findings in this Background Report, outlined earlier.

The *Plan* identifies the need to provide sufficient rental stock and affordable housing in the region for seasonal workers and professional contract employees, as well as increasing housing diversity in well located areas to meet the needs of older and lower income households.⁶⁹

The *Plan* notes that, to meet the housing needs of those on very low, low and moderate incomes, improvements need to be made in relation to potential policy levers and strategies to increase the supply of affordable housing, such as:

- Requirements for future developments to include affordable and diverse housing;
- Providing other incentives, such as development controls and reduced contributions, to lift construction of affordable housing;
- Promoting affordable housing development and management partnerships; and⁷⁰
- Promoting more affordable and lower cost housing forms, such as new caravan parks and manufactured home estates near existing settlements.⁷¹

These types of strategies and mechanisms have been considered in the preparation of this *Background Report*.

⁶⁸Riverina-Murray Housing Fact Sheet #2 < <http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Riverina-Murray/~media/D62C7E03EB0840C2A975E91C5465ED49.ashx>> pg 1

⁶⁹ Draft Riverina-Murray Regional Plan 2016 < <http://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/draft-riverina-murray-regional-plan-2016-04.ashx>> pg 65

⁷⁰ Draft Riverina-Murray Regional Plan 2016 < <http://www.planning.nsw.gov.au/~media/Files/DPE/Plans-and-policies/draft-riverina-murray-regional-plan-2016-04.ashx>> pg 65

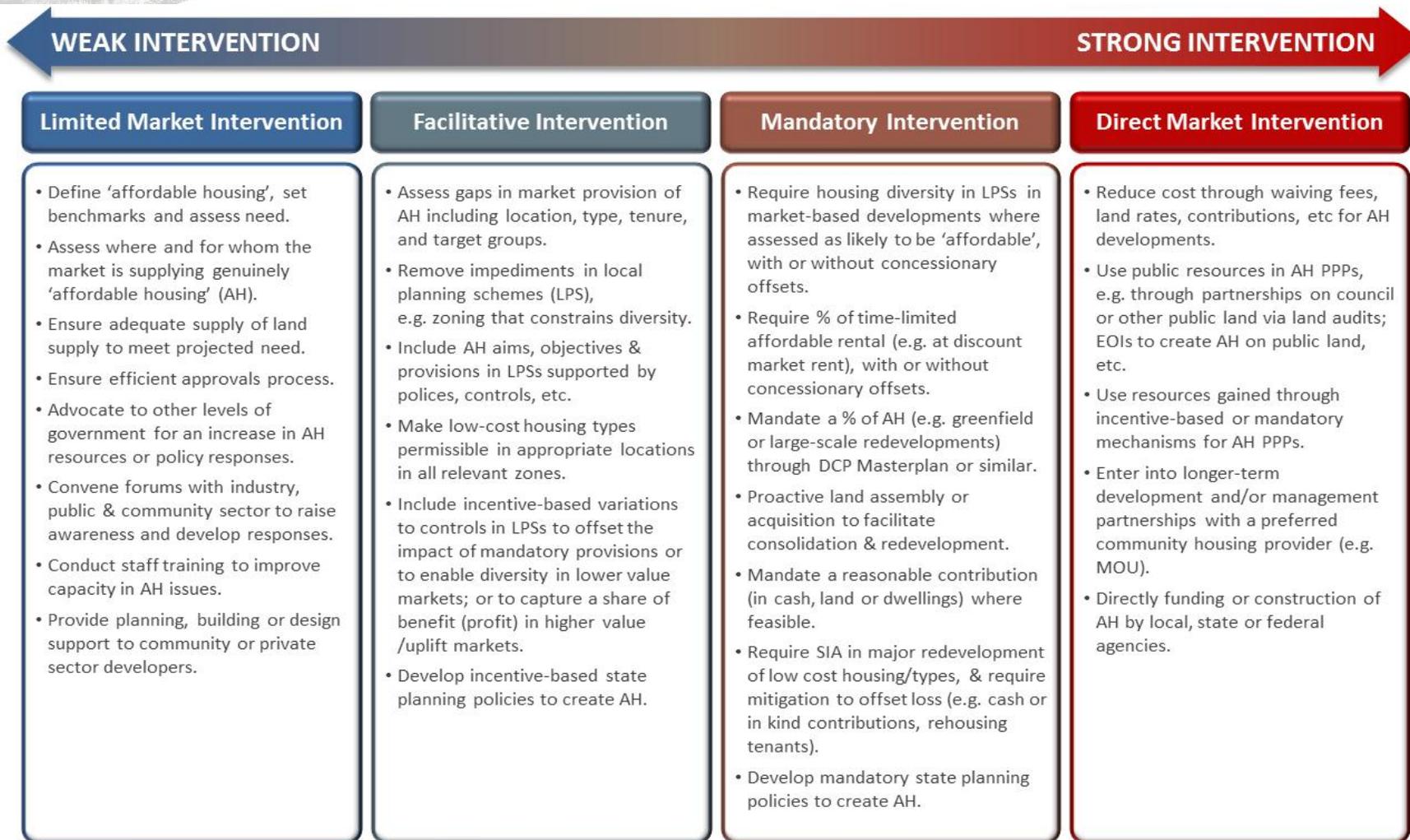
⁷¹ Riverina-Murray Housing Fact Sheet #2 < <http://www.planning.nsw.gov.au/Plans-for-your-area/Regional-Plans/Riverina-Murray/~media/D62C7E03EB0840C2A975E91C5465ED49.ashx>> pg 1

6 Planning Mechanisms and Strategies

6.1 Overview of Mechanisms and Strategies

There are a wide range of strategies available to Council to promote affordable housing in the Griffith LGA. These strategies range from light planning intervention in the market to strong intervention or direct provision of affordable housing, as shown in Figure 6.1 below.

This is followed by a detailed assessment of the main mechanisms and strategies that would be effective in the local context.



Source: Stubbs (2003); JSA (2011)

Figure 6.1: Mechanisms and Strategies to Create Affordable Housing along a Continuum of Planning Intervention

6.2 Limited Market Intervention

6.2.1 Define affordable housing, set benchmarks and assess need

This report provides definitions of affordable housing, sets benchmarks and assesses need for affordable housing. Definitions, benchmarks and delivery targets (against need) can be incorporated in an affordable housing policy. The following are recommended in accordance with statutory definitions and accepted benchmarks.

Table 6.1: Relevant Affordable Housing Income and Cost Benchmarks

	Very low-income household	Low-income household	Moderate-income household
Income Benchmark	<50% of Gross Median H/H Income for Rest of NSW	50-80% of Gross Median H/H Income for Rest of NSW	80%-120% of Gross Median H/H Income for Rest of NSW
Income Range (2)	<\$609 per week	\$610-\$975 per week	\$976-\$1,462 per week
Affordable Rental Benchmarks (3)	<\$183 per week	\$184-\$293 per week	\$294-\$439 per week
Affordable Purchase Benchmarks (4)	<\$188,000	\$188,001-\$300,000	\$300,001-\$455,000

Source: JSA 2019, based on data from ABS (2016) Census indexed to December Quarter 2018 dollars

(9) All values reported are in December Quarter 2018 dollars

(10) Total weekly household income

(11) Calculated as 30% of total household income

(12) Calculated using ANZ Loan Repayment Calculator, using 8 April 2019 interest rate (4.80%) and assuming a 20% deposit for a 30 year ANZ Standard Variable Home Loan and 30% of total household income as repayments.

6.2.2 Include affordable housing aims and objectives in local planning schemes, and develop a strategy and explicit policy

Include affordable housing aims and objectives in EPIs

The provision and maintenance of affordable housing is one of the objectives of the Environmental Planning and Assessment Act 1979 and so could be considered to be an objective of instruments under the Act. However, including affordable housing aims and objectives in local planning instruments sends a clear message of intention to developers and the community regarding Council's commitment to affordable housing and provides the foundation of the legal architecture to support affordable housing in the local area.

The provision of affordable housing could be included, for example, as one of the objectives of the R1, B2 and B4 zones and other zones where considered applicable. Again, this would legally support

affordable housing development through the planning system, including for affordable housing policies or variations to controls, discussed below.

Develop an Housing Strategy and policy

Likewise, the development of an **Housing Strategy and an explicit policy on affordable housing** also signals and supports favoured directions of Council on affordable housing. There are a number of examples of such policies, including those provided at links below.

- Shoalhaven City Council Housing Strategy:
<https://getinvolved.shoalhaven.nsw.gov.au/29550/documents/61492>
- Inner West Council Affordable Housing Policy:
<https://www.innerwest.nsw.gov.au/community/for-residents/affordable-housing>
- Canada Bay Affordable Housing Policy, which largely focuses on key workers:
<http://www.canadabay.nsw.gov.au/cs-affordable-housing-program---main-page.html>
- Parramatta City Council Affordable Housing Policy, which is more general policy:
https://www.parracity.nsw.gov.au/__data/assets/pdf_file/0018/103563/AffordableHousingPolicy-POLICY298.pdf

6.2.3 Assess where and for whom the market is supplying genuinely affordable housing

Overview

This report identifies gaps in market provision of affordable housing, particularly for very low income renting households (small and family households) and for low income purchasing and renting family households.

Affordability for purchasers

No purchase product was affordable to very low income households.

First quartile strata dwellings and separate houses were affordable to low income purchasers at the upper end of the range, and median strata dwellings were affordable to some low income households.

Median priced strata dwellings and first quartile separate houses were affordable to all moderate income households and median separate houses were affordable to most moderate income households.

Affordability for renters

A **very low income household** could not affordably rent any housing product in Griffith LGA.

Boarding Houses and onsite vans and cabins in **Caravan Parks** are likely to provide affordable rental to very low income households. However, there is virtually no local supply of these (apart from older boarding houses, likely operating without approval).

Many **low income households** are excluded from affordable rental in the private market. Two thirds of low income households could affordably rent a first quartile one bedroom dwelling, and 50% of these households could affordably rent a first quartile two bedroom dwelling.

All **moderate income renters** can affordably rent a median two bedroom dwelling in Griffith LGA and most could affordably rent a first quartile three bedroom dwelling, with a median three bedroom dwelling affordable to around 60% of moderate income households.

6.2.4 Setting Affordable Housing Targets

Table 6.2: Affordable Housing Targets

		Smaller Renting H/hs	Family Renting H/hs	Smaller Purchasing H/hs	Family Purchasing H/hs
Total Required in 2036 (1)	Affordable to Very Low Income Households	355	156	31	10
	Affordable to Low Income Households	97	152	62	81
	Affordable to Moderate Income Households	18	40	52	108

Source: JSA 2019

Based on .id Consulting Pty Ltd projections⁷² and JSA calculations, it is likely that, by 2036, there will be **1,160 households in need of affordable housing in City of Griffith in 2036, 820 in rental stress (70%) and 340 in home purchase stress (30%)**.

There would be a relatively even split between dwellings suited to singles and couples, and those suited to families, although given the relative supply of these housing products, it could be prudent to plan for at least a **60%/40% split, favouring smaller, well-located dwellings**.

About **50% of dwellings would need to be for very low income households** on current trends (90% of them renters), with around 30% for low income households, and 20% for moderate income households. The tenure share would be also be around **70% rental and 30% purchase** on current trends, although fewer low income households are likely to be able to affordably purchase in the future⁷³ so that factoring in a higher level of rental may again be prudent.

⁷² id. Consulting Pty Ltd (2017) *Griffith City Population and household forecasts 2016 to 2036*.

⁷³ We assume that low income purchasing households were able to enter the market when prices were lower, and that entry will be increasingly constrained.

The following table provides the basis of discussions on relevant targets for affordable housing based on additional demand to 2036, including the breakdown of such housing by target group and tenure.

Table 6.3: Potential Targets for Affordable Housing to 2036

		Renting Households		Purchasing Households	
		Suitable for Lone Persons or Couples without Children	Suitable for Families	Suitable for Lone Persons or Couples without Children	Suitable for Families
Total Currently Required (2016)	Affordable to Very Low Income Households	309	136	27	9
	Affordable to Low Income Households	84	132	54	71
	Affordable to Moderate Income Households	16	35	45	94
Additional Required 2016-2036 (1)	Affordable to Very Low Income Households	46	20	4	1
	Affordable to Low Income Households	13	20	8	10
	Affordable to Moderate Income Households	2	5	7	14
Total Required in 2036 (1)	Affordable to Very Low Income Households	355	156	31	10
	Affordable to Low Income Households	97	152	62	81
	Affordable to Moderate Income Households	18	40	52	108

Source: JSA calculations, using data from ABS Census of Population and Housing 2016 and id. Consulting Pty Ltd (2017) *Griffith City Population and household forecasts 2016 to 2036*.

(1) Calculated using pro-rata household growth from id. Consulting population projections

6.2.5 Ensure adequate supply of land in Greenfield expansion areas

Overview

Based on our regression analysis using sales data from EAC Red Square and using published rates for project home construction, a three bedroom, 150 m² project home on a 450 m² Greenfield site in Griffith would provide affordable purchase to the upper end of the low income range and all moderate income households. This underscores the importance of a ready supply of developed land to provide affordable purchase housing in Griffith LGA.

The construction of multi dwelling housing will also be facilitated by an adequate supply of appropriately zoned land, with products expected to be affordable to some low income households and most moderate income households.

Multi dwelling development would also be expected to add to rental stock, although the extent is uncertain as Census data does not discriminate between separate houses and multi dwelling housing. Rates of rental would be expected to be between 31% (all dwellings excluding social housing) and 83% (flats, units and apartments excluding social housing) of stock.

The major source of land to meet projected affordable housing need in Griffith LGA will be from rezoning and development of previously zoned rural land. This will require ongoing identification and zoning of suitable land. The main Greenfield expansion areas are looked at below.

Collina Precinct

Collina Precinct is the major Greenfield development area in Griffith, and is located around 6kms from the CBD. The area appears to be developed for a variety of housing, including lower cost forms such as smaller separate houses on smaller lots. The Precinct is zoned R1.

While multi dwelling housing is permissible with consent in the R1 zone, there is no evidence of such development in the precinct. Development of multi dwelling housing may be constrained by DCP density controls (equivalent to an FSR of around 0.3 to 0.4⁷⁴), the requirement for 50m² of private open space per dwellings (meaning that all villas, for example, would require a yard of 10m x 5m); onsite parking requirements,⁷⁵ which appear to be quite high; and that designated lots are required for multi dwelling housing (these may not have been designated).

This may place quite significant constraints on the development of multi dwelling housing, and provide some insight into why there is currently no such development in Collina Precinct, despite likely demand for more diverse housing types and the fact that they are likely to be affordable to a wider range of income groups.

⁷⁴ With 125m² for a small dwelling (<75m²); 200m² for a medium dwelling 75-110m²); and 300m² for a large dwelling (>110m²). Whilst this is quite favourable for separate housing, it is likely to be prohibitive for villas.

⁷⁵ One onsite space per one bedroom dwelling; 1.5 spaces per two bedroom dwelling; and 2 spaces three bedroom dwelling.

As discussed in **Section 6.3.2** below, our modelling suggests that villa construction would be economically viable assuming an FSR of 0.5 and one onsite parking space per dwelling. Adequate sites would need to be allocated for this purpose.

Around one third of the precinct remains undeveloped and is being progressively developed, presumably at an appropriate rate to meet market demand. **A preliminary assessment suggests remaining capacity for around 800 dwellings if these were separate houses. Based on historical growth rates this is equivalent to around 10-15 years supply of land to meet projected demand for family dwellings. However, the yield /supply could be increased if more future development was comprised of some multi dwelling housing.**



Figure 6-2: Undeveloped land in Collina new release area





Figure 6-3: Examples of small and large separate houses in Collina new release area

Facilitation of multi dwelling housing in R1 zoning in Collina Precinct would require:

- Removal of DCP requirements for designated lots;
- Removal of dwelling density and private open space requirements and replacement with FSR of at least 0.5 and height of at least 8.5m;
- Reduction of parking (e.g. to actual rates of ownership).

(See also **Section 6.3.3** below on removing impediments to the planning system).

6.2.6 Lake Wyangan area

We understand the Lake Wyangan area, currently zoned RU5 and RU4, is likely to provide further greenfields expansion areas once the Collina Precinct is fully developed.⁷⁶ At around 6kms, the existing village area is similar in distance to the centre of Griffith as the Collina Precinct.

Based on the availability of land in the Collina area, rezoning in this area to R1 is likely to be required by 2030. Similar constraints to housing diversity and affordability would apply as for Collina Precinct without changes to the DCP and/or LEP.

Council owns three parcels of land in this precinct (discussed later)

6.2.7 Ensure efficient approvals process

This is a matter for consideration by Council and may be relevant to the extent that any delays in approvals are increasing the cost of development, for example, through deferrals or increased holding charges. It is assumed that Council is efficient and compliant with regard to its approvals process, and this has not been assessed as part of this project.

⁷⁶ Advice from Council officers, December 2018

6.2.8 Advocate to other levels of government for an increase in Affordable Housing resources or policy responses

Currently the level of social housing in Central Coast LGA is 92% of average levels for “Rest of NSW”. Based on policy commitments by the State Government, Griffith City Council should consider lobbying with regard to increasing the supply of social and affordable housing within the LGA.

Much of the social housing in Griffith is underutilised. Using data from the 2016 Census, 17% of public housing dwellings with three or more bedrooms were occupied by one person, and 45% were occupied by two or less people. Rationalisation of stock (e.g by construction of smaller stock, retirement villages and the like on some redeveloped well located sites) could release around 120 larger public housing dwellings and provide accommodation for larger very low income households.

There are also opportunities for construction on Greenfield sites within the LGA. Some of these are identified in **Section 6.3.3** below.

6.2.9 Provide planning, building or design support to community or private sector developers

Planning support for affordable housing is likely to come from both a commitment by Council and staff training within the planning department so that Council planners are aware of opportunities for the incorporation of affordable housing within developments.

Council could also consider developing guidelines on the construction and design of affordable housing to provide assistance to developers in delivering affordable housing as part of an Housing Strategy.

6.3 Facilitative Intervention

6.3.1 Overview

As noted above, the Griffith housing market can provide affordable housing to some people in relevant target groups, in particular, moderate income purchasers and renters.

Market provision of affordable housing is available for some better off low income households with rental restricted to one and two bedroom dwellings and purchase restricted to median strata dwellings and first quartile houses.

Market provision of affordable housing for very low income renting households is more limited, and constrained to social (subsidised) rental, boarding houses, and rental of caravans and smaller cabins in caravan parks and MHEs, but each of these is in very short supply or decline. Very low income households are excluded from affordable purchase.

As such, one of the major ways of increasing affordability for *some* target groups is to actively seek to increase the supply of smaller dwellings. Providing increased opportunities for New Generation Boarding Houses (including under the Abbeyfield model outlined later), and well-located permanent sites in affordable caravan parks and MHEs will also meet the needs of very low and low income

renters currently excluded from the market. For moderate income purchasers who are in larger households, the development of larger strata dwellings, such as three bedroom townhouses and villas, is also important.

The first facilitative strategy is to ensure that there are **no impediments** to the development of such dwellings in the planning system, and to **actively seek to provide opportunities** for their development in appropriate locations through appropriate zoning and controls.

The second facilitative strategy is to **provide incentives** for the development of types of dwellings and developments likely to be affordable when provided through the market.

It is important to understand the economics of redevelopment to identify the impact of impediments, and the extent to which their removal will have the desired effect, as well as opportunities for incentives.

The economics of development is first looked at. This is followed by an overview of opportunities for each of the facilitative strategies available to Council in this context.

6.3.2 Economics of Development

Overview

The following provides an overview of preliminary economic modelling on several scenarios to examine whether redevelopment of existing housing and development of vacant lots would be economically feasible under existing controls and market conditions, and what type of dwellings are likely to be feasible if controls were varied. This also informs the discussion on variations to planning controls that are more likely to be effective in the local housing market context.

Redevelopment of existing lots

Redevelopment of existing lots in town centre areas is a common method of increasing density where it is needed, depending on relative land values, and may deliver affordable housing, again depending on relative land values. The preliminary modelling below (**Table 6.3**) considers the redevelopment of two median sized 800 m² lots, each with an existing median priced house, in the Coolah precinct (Precinct 3) under existing controls.

Redevelopment of existing median priced housing does not appear to be generally feasible within Griffith under current controls.

The economics of redevelopment for two bedroom residential flat buildings (noting that provision of one and two bedroom residential flat buildings for rent is likely to address much of the demand for affordable housing in Griffith) could be facilitated if redevelopment was of older poorer housing selling for a first quartile price; if one parking space was required for each flat and if development was based on an FSR of 0.5:1.0 or 0.7:1.0 rather than the existing dwelling to area controls under the DCP (**Table 6.4 below**). In this scenario, the expected profit on redevelopment for single storey apartments would be \$200,000. Economics would also be improved through the provision of at grade parking or car ports rather than the garages modelled.

A higher FSR (0.7:1.0) facilitates the economics of two storey development. This type of development was breakeven when modelled at an FSR of 0.5:1.0, but returned a profit of \$185,000 when modelled at an FSR of 0.7:1.0.

The modelling demonstrates some constraints on development arising from planning controls. These include:

- A penalty on two storey construction and the construction of one bedroom flats and units (because of reduced yield) due to the density control under the DCP being dwellings per hectare rather than using a floor space ratio;
- The impost of higher parking standards on construction cost; and
- The requirement for 50 m² of private outdoor space for ground floor units and the need for higher levels of parking. This has not been included in the hypothetical yields in the tables below, but would be expected to further reduce yields and so further reduce viability.

Development on vacant land

Construction of medium density housing on vacant land would be expected to reduce costs based on the results of the regression analysis reported above, and construction on vacant land would make flat construction and cheaper **villa construction** profitable with an FSR of 0.5:1.0.

Based on modelling below (**Table 6.6**), construction of **flats and units** in Griffith on vacant land would be expected to be one storey flat buildings.

Increased height

The impact of **extra height** has also been considered if existing controls were varied. Current development economics do not support the construction of multi-storey apartments in Griffith (**Table 6.5**).

Rental returns

Development of residential flat buildings for rent (“build to rent”) is likely to be supported in Griffith. Using the scenario below of eight one storey two bedroom flats on a double block at a development cost of \$1,554,000, the expected annual gross rental return is calculated at \$104,000, a rate of return of 6.7%⁷⁷ and this is better than yields obtained more generally from rental property e.g. the return on a median three bedroom house would be 5.7%.⁷⁸

The following tables provide the results upon which these preliminary conclusions are based.

This is also considered further below in relation to the extent to which existing planning controls may constrain the development of lower cost and affordable housing, and amendments or variations to controls that are most likely to be effective in the local planning context.

⁷⁷ $\$250 \times 52 \times 8 = \$104,000$. $\$104,000 / \$1,554,000 = 6.7\%$.

⁷⁸ $\$350 \times 52 = \$18,200$. $\$18,200 / \$320,000 = 5.7\%$.

Table 6.4: Redevelopment Scenarios for Griffith – existing controls (based on redevelopment of two median sized blocks of 800 m² each).

	Dual occupancy (individual house rates) (3 bedroom, >110 m ²)	Villa construction (single storey multi dwelling development) (individual house rates) (2 bedroom, <110 m ²)	Town house development (two storey) (3 bedroom, <110 m ²)	Flat building (one storey) (2 bedroom, <110 m ²)	Flat building (two storey) (2 bedroom, <110 m ²)
Building footprint (assumed to accommodate setbacks and landscaping)	530 m ²	530 m ²	530 m ²	530 m ²	530 m ²
Maximum number of dwellings (Precinct 3)	4	6	4	6	6
Height	Two stories	Two stories	Two stories	Two stories	Two stories
Land purchase (median house price)	\$660,000	\$660,000	\$660,000	\$660,000	\$660,000
Expected yield	4 @ 140 m ²	6 @ 80 m ²	4 @ 110 m ²	6 @ 70 m ²	6 @ 70 m ²
Construction cost	\$1,120,000 (4*140* \$2,000) using rate for individual brick vener house + 30%,	\$960,000 (6*80* \$2,000) using rate for individual brick vener house + 30%,	\$968,000 (4*110* \$2,200) using rate for medium standard town house +	\$756,000 (6*70* \$1,800) using rate for holiday units + 30%, Rawlinson's	\$882,000 (6*70* \$2,100) using rate for 3 storey walk-ups + 30%, Rawlinson's Australian

	Dual occupancy (individual house rates) (3 bedroom, >110 m ²)	Villa construction (single storey multi dwelling development) (individual house rates) (2 bedroom, <110 m ²)	Town house development (two storey) (3 bedroom, <110 m ²)	Flat building (one storey) (2 bedroom, <110 m ²)	Flat building (two storey) (2 bedroom, <110 m ²)
	Rawlinson's Australian Construction Handbook, 2012	Rawlinson's Australian Construction Handbook, 2012	30%, Rawlinson's Australian Construction Handbook, 2012	Australian Construction Handbook, 2012	Construction Handbook, 2012
Car Parking	Eight garages required \$128,000 (8*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Nine required \$144,000 (9*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Eight required \$128,000 (8*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Nine required \$144,000 (12*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Nine required \$234,000 Assumed under-croft parking. Each parking space will add \$26,000 using rate for under-croft parking +30%, Rawlinson's Australian Construction Handbook, 2012
Sales price (based on regression analysis above)	\$320,000*4 = \$1,280,000	\$220,000*6 = \$1,320,000	\$285,000*4 = \$1,140,000	\$220,000*6 = \$1,320,000	\$220,000*6 = \$1,320,000
Net profit (loss)	(\$628,000)	(\$444,000)	(\$616,000)	(\$240,000)	(\$456,000)

Table 6.5: Redevelopment Scenarios for Griffith – FSR of 0.5:1.0 and one parking space per dwelling (based on redevelopment of two median sized blocks of 800 m² each).

	Dual occupancy (individual house rates) (3 bedroom, >110 m ²)	Villa construction (single storey multi dwelling development) (individual house rates) (2 bedroom, <110 m ²)	Town house development (two storey) (3 bedroom, <110 m ²)	Flat building (one storey) (2 bedroom, <110 m ²)	Flat building (two storey) (2 bedroom, <110 m ²)
Building footprint (assumed to accommodate setbacks and landscaping)	530 m ²	530 m ²	530 m ²	530 m ²	530 m ²
FSR	0.5	0.5	0.5	0.5	0.7
Height	Two stories	Two stories	Two stories	Two stories	Two stories
Land purchase (First quartile house price)	\$520,000	\$520,000	\$520,000	\$520,000	\$520,000
Expected yield	4 @ 140 m ²	7 @ 80 m ²	7 @ 110 m ²	8 @ 70 m ²	15 @ 70 m ²
Construction cost	\$1,120,000 (4*140* \$2,000) using rate for individual brick vener house + 30%, Rawlinson's Australian	\$1,120,000 (7*80* \$2,000) using rate for individual brick vener house + 30%, Rawlinson's Australian	\$1,694,000 (7*110* \$2,200) using rate for medium standard town house + 30%, Rawlinson's	\$1,008,000 (8*70* \$1,800) using rate for holiday units + 30%, Rawlinson's Australian	\$2,205,000 (15*70* \$2,100) using rate for 3 storey walk-ups + 30%, Rawlinson's Australian Construction Handbook,

	Dual occupancy (individual house rates) (3 bedroom, >110 m ²)	Villa construction (single storey multi dwelling development) (individual house rates) (2 bedroom, <110 m ²)	Town house development (two storey) (3 bedroom, <110 m ²)	Flat building (one storey) (2 bedroom, <110 m ²)	Flat building (two storey) (2 bedroom, <110 m ²)
	Construction Handbook, 2012	Construction Handbook, 2012	Australian Construction Handbook, 2012	Construction Handbook, 2012	2012
Car Parking	Four garages required \$64,000 (4*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Seven required \$112,000 (7*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Seven required \$112,000 (7*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Eight required \$26,000 (8*\$3,300) using rate for at grade parking +30% Rawlinson's Australian Construction Handbook, 2012	Fifteen required \$390,000 Assumed under-croft parking. Each parking space will add \$26,000 using rate for under-croft parking +30%, Rawlinson's Australian Construction Handbook, 2012
Sales price (based on regression analysis above)	\$320,000*4 = \$1,280,000	\$220,000*7 = \$1,540,000	\$285,000*7 = \$1,995,000	\$220,000*8 = \$1,760,000	\$220,000*15 = \$3,300,000
Net profit (loss)	(\$424,000)	(\$212,000)	(\$331,000)	\$206,000	\$185,000

Table 6.6: Redevelopment: Impact of additional height (Note that the requirements of the *Apartment Design Guide* will most likely preclude multi storey apartment construction on a smaller lot)

	Flat building (two storey)	Flat building (four storey)
Building footprint (assumed to accommodate setbacks and landscaping)	530 m ²	530 m ²
Maximum number of dwellings	Not applicable	Not applicable
Maximum GFA	1,060 m ²	2,120 m ²
Height	11.0 metres	16.0 metres
Land purchase (median house price)	\$664,000	\$664,000
Expected yield	15 @ 70 m ²	30 @ 70 m ²
Construction cost	\$2,205,000 (15*70* \$2,100) using rate for 3 storey walk-ups + 30%, Rawlinson's Australian Construction Handbook, 2012	\$5,040,000 (30*70* \$2,400) using rate for multi storey lifted apartments + 30%, Rawlinson's Australian Construction Handbook, 2012
Parking (assumed within district centre)	Twenty three required \$598,000 Assumed under-croft parking. Each parking space will add \$26,000 using rate for under-croft parking +30%, Rawlinson's Australian Construction Handbook, 2012	Forty five required \$1,170,000 Assumed under-croft parking. Each parking space will add \$26,000 using rate for under-croft parking +30%, Rawlinson's Australian Construction Handbook, 2012

Sales price (based on regression analysis above)	\$220,000*15 = \$3,300,000	\$220,000*30 = \$6,600,000
Net profit (loss)	(\$167,000)	(\$274,000)

Table 6.7: Redevelopment Scenarios for Griffith – Construction on greenfields site, FSR of 0.5:1.0 and one parking space per dwelling (based on development of two median sized vacant blocks of 800 m² each).

	Dual occupancy (individual house rates) (3 bedroom, >110 m ²)	Villa construction (single storey multi dwelling development) (individual house rates) (2 bedroom, <110 m ²)	Town house development (two storey) (3 bedroom, <110 m ²)	Flat building (one storey) (2 bedroom, <110 m ²)	Flat building (two storey) (2 bedroom, <110 m ²)
Building footprint (assumed to accommodate setbacks and landscaping)	530 m ²	530 m ²	530 m ²	530 m ²	530 m ²
FSR	0.5	0.5	0.5	0.5	0.5
Height	Two stories	Two stories	Two stories	Two stories	Two stories
Land purchase (median house price)	\$220,000	\$220,000	\$220,000	\$220,000	\$220,000
Expected yield	4 @ 140 m ²	7 @ 80 m ²	7 @ 110 m ²	8 @ 70 m ²	11 @ 70 m ²
Construction cost	\$1,120,000 (4*140* \$2,000) using	\$1,120,000 (7*80* \$2,000) using	\$1,694,000 (7*110* \$2,200) using	\$1,008,000 (8*70* \$1,800) using	\$1,617,000 (11*70* \$2,100) using rate

	Dual occupancy (individual house rates) (3 bedroom, >110 m ²)	Villa construction (single storey multi dwelling development) (individual house rates) (2 bedroom, <110 m ²)	Town house development (two storey) (3 bedroom, <110 m ²)	Flat building (one storey) (2 bedroom, <110 m ²)	Flat building (two storey) (2 bedroom, <110 m ²)
	rate for individual brick veneer house + 30%, Rawlinson's Australian Construction Handbook, 2012	rate for individual brick veneer house + 30%, Rawlinson's Australian Construction Handbook, 2012	rate for medium standard town house + 30%, Rawlinson's Australian Construction Handbook, 2012	rate for holiday units + 30%, Rawlinson's Australian Construction Handbook, 2012	for 3 storey walk-ups + 30%, Rawlinson's Australian Construction Handbook, 2012
Car Parking	Four garages required \$64,000 (4*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Seven required \$112,000 (7*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Seven required \$112,000 (7*\$16,000) using rate for brick wall garage +30% Rawlinson's Australian Construction Handbook, 2012	Eight required \$26,000 (8*\$3,300) using rate for at grade parking +30% Rawlinson's Australian Construction Handbook, 2012	Eleven required \$286,000 Assumed under-croft parking. Each parking space will add \$26,000 using rate for under-croft parking +30%, Rawlinson's Australian Construction Handbook, 2012
Sales price (based on regression analysis above)	\$320,000*4 = \$1,280,000	\$220,000*7 = \$1,540,000	\$285,000*7 = \$1,995,000	\$220,000*8 = \$1,760,000	\$220,000*11 = \$2,420,000

	Dual occupancy (individual house rates) (3 bedroom, >110 m ²)	Villa construction (single storey multi dwelling development) (individual house rates) (2 bedroom, <110 m ²)	Town house development (two storey) (3 bedroom, <110 m ²)	Flat building (one storey) (2 bedroom, <110 m ²)	Flat building (two storey) (2 bedroom, <110 m ²)
Net profit (loss)	(\$124,000)	\$88,000	(\$31,000)	\$506,000	\$297,000

6.3.3 Remove impediments in local planning schemes

Overview

Ensuring the proper operation of the market, in particular, that there are no impediments to the creation of well-located one and two bedroom flat and units and multi dwelling housing, and to smaller multi dwelling housing and three bedroom project homes on smaller lots in new release areas, would provide enormous benefits in terms of 'lower cost' housing to many, and affordable housing to low and moderate income households, noting that strata dwellings are far more likely to enter the rental market than flats and units, with 83% of flats and units in Griffith rented in 2016.

Consequently, zoning or other controls which reduce opportunities for development of residential flat buildings, multi dwelling housing, small lot subdivisions or housing diversity within Greenfield areas are likely to be an impediment to the supply of low cost, affordable housing and diverse housing in the local context. Zoning controls that add to construction cost, or that reduce dwelling yield, are likely to affect the viability of development of residential flat buildings and multi dwelling housing in Griffith LGA.

Impediments to affordability and diversity arising from Griffith DCP (1999)

A site visit was conducted in December 2018 in order to ground truth and explore preliminary findings from desktop research for this Background Report with regard to **likely impediments to affordability and diversity in the existing DCP (1999)**, and from the planning regime more generally. Research during the site visit was also informed by discussions with Council planning and economic development staff conducted during the visit.

The site visit largely confirmed early desktop findings on planning impediments. Prior to the existing DCP, which was adopted by Council in December 1999, there is evidence that residential flat buildings were an economically viable land use in a number of precincts close to Griffith town centre. However, two main provisions in the existing DCP have generally rendered such developments non-viable, that is:

- The use of varying density controls across different precincts, which place significant constraints on the number of dwellings per square metre and thus restrict what can be built on many lots. These are used in the existing DCP rather than FSR and Height controls in the LEP or DCP, for example;
- The requirement for 50m² of open space per ground floor dwelling, which favours separate houses and multi dwelling housing over residential flat buildings, but can also be restrictive in the case of multi dwelling housing;

- Relatively stringent car parking requirements for smaller dwellings including in areas close to the town centre⁷⁹ are also likely to impact on development for residential flat buildings, and potentially multi dwelling housing.

These factors place significant constraints on the number of apartments that can be constructed on a given lot (or even whether an apartment development can be built **at all**), and thus on the rate of return and economic viability, noting that apartment construction is generally more expensive than project home or villa construction.

Redevelopment Opportunities in Relevant Precincts

The site visit also sought to identify or confirm the precincts that would be most appropriate as a focus for **redevelopment of diverse, affordable and/or low cost housing** in terms of their proximity to the CBD/relevant business zones (400m from the edge of the existing B2 or B4 zoned areas); opportunities for redevelopment or lot consolidation based on the presence of older, lower quality dwellings, commercial development or vacant or underutilised land; and the likely economic feasibility of redevelopment under existing and **proposed amended controls**, and to make preliminary **recommendation with regard to appropriate controls and zoning in these precincts**.

Based on these criteria, three precincts were selected for more detailed analysis – **Griffith Central, Coolah and Wakaden North**. An overview of findings is provided below, and in more detail for each precinct at **Appendix C**.

Precinct 1: Central Griffith

B2 zoned areas in Precinct 1: Central Griffith contain many redevelopment opportunities, particularly in areas between Banna Lane and Canal Street; and north of Olympic/Railway Streets; and within the B4 zoned area at the western end of the Precinct.

The area shows evidence of significant historical development for residential flat buildings that predates the 1999 DCP. More recent construction shows demand for apartments, with construction of serviced apartments and of shop top housing and mixed use developments rather than residential flat buildings in areas zoned B2. Residential flat buildings are an innominate use. Together with DCP constraints, has likely provided a disincentive to market delivery of residential flat buildings.

There appears to be sufficient commercial zoned land, with significant development opportunities for commercial and light industrial development on vacant and under-utilised sites in evidence in the central B4 and B2 zones, and a range of lower quality commercial development in these areas. Newer mall type commercial development (such as Coles and Woolworths) is clustered towards the eastern end of B2 zoning in Precinct 1, perhaps because larger parcels of undeveloped land were available in this area.

⁷⁹ There is a generic control across the LGA of one onsite space per one bedroom dwelling; 1.5 spaces per two bedroom dwelling; and 2 spaces three bedroom dwelling regardless of location or dwelling type.

There are a number of options to facilitate development of RFBs in Precinct 1 without adversely affecting commercial development opportunities and the character of the main shopping strip along Banna Street:

- Rezone part of the area between Banna Lane and Canal Street and north of Olympic/Railway Streets from B2 to B4, which would mean that RFBs are permissible with consent (as a subset of 'Residential Accommodation'). This would encourage rather than mandate mixed use, and make the development of a commercial component discretionary rather than mandatory, and subject to market-based decisions. Alternatively, selected areas could be rezoned to R1, R3 or R4, although this could discourage or restrict commercial development.
- Such rezoning would need to be accompanied by removing dwelling density and minimum open space per ground floor dwelling in the DCP; and incorporating appropriate FSR and height controls (most likely FSR 0.7:1 and 11.5m height) within either the DCP or an amended LEP in the B4 /rezoned area (existing and proposed).

Precinct 2: Wakaden North

Similar to other areas, this precinct contains a large number of older residential flat buildings that pre-date the 1999 DCP, with more recent development consisting of multi dwelling housing, likely due to DCP constraints discussed earlier. There are limited opportunities for redevelopment. However, additional redevelopment opportunities could be obtained by extending the precinct north to Binya Street, which is within 400 metres of the current B2 zoned area.

There are also opportunities for the redevelopment of older public housing dwellings on larger lots, including in partnership/demonstration affordable housing/multi-tenure developments; and to reconfigure stock to smaller, multi dwelling housing for land use efficiency and to meet changing demographic needs.

Again, increased opportunities for redevelopment would be facilitated by:

- Retaining the existing R1 zoning in Precinct 2, noting that this provides for multi dwelling housing and RFBs with consent;
- Extending Precinct 2 north to Binya Street, which is within 400 metres of the B2 zoned area, and maintaining the R1 zoning;
- Removing dwelling density and minimum open space per ground floor dwelling requirements in the DCP; and incorporating appropriate FSR and height controls within the either the DCP or an amended LEP (a minimum of 0.5:1 FSR and 9.0 m height, and preferably FSR of 0.7:1 and 11.5m height in areas closest to B2 zoned area);
- Further explore opportunities with State Government and local Community Housing Providers for the redevelopment of older social housing in the Precinct, including for smaller, more diverse housing types and multi-tenure development including social, affordable and private market housing to meet changing needs.

Coolah Precinct

Coolah Precinct also contains extensive development for residential flat buildings, although again none of these appear to be of recent construction, with newer construction generally for multi dwelling housing.

There are significant redevelopment opportunities in the precinct including of older, lower quality housing and industrial and commercial uses, as well as underutilised land. Opportunities for redevelopment of housing are mainly available in the area between Coolah Street and the Canal.

Again, increased opportunities for redevelopment including for RFBs would be facilitated by:

- Retaining the existing R1 zoning of the precinct, noting that this provides for multi dwelling housing and RFBs with consent;
- Removing dwelling density and minimum open space per ground floor dwelling requirements in the DCP; and incorporating appropriate FSR and height controls within the either the DCP or an amended LEP for this precinct (a minimum of 0.5:1 FSR and 9.0 m height, and preferably FSR of 0.7:1 and 11.5m height in areas closest to B2 zoned area).

Opportunities for Housing Diversity and Affordability in Greenfield Areas

Collina Precinct is the major Greenfield development area in Griffith, and is located around 6kms from the CBD. While multi dwelling housing is permissible with consent in the R1 zone, there is no evidence of such development in the precinct. Development of multi dwelling housing is likely to be constrained by DCP density controls and requirements for ground floor private open space, onsite parking requirements, and the requirement for designation of lots for multi dwelling housing.

Our modelling suggests that villa construction would be economically viable assuming with more liberal controls and the allocation of adequate sites for this purpose (or removal of the requirement).

Around one third of the precinct remains undeveloped, and our preliminary assessment suggests remaining capacity for around 800 dwellings if these were separate houses, which would meet around 10-15 years' demand based on historical growth rates. This yield /supply could be increased if more future development was comprised of multi dwelling housing.

Facilitation of additional feasible opportunities for multi dwelling housing in R1 zoning in Collina Precinct would require:

- Removal of DCP requirements for designated lots;
- Removal of dwelling density and private open space requirements and replacement with FSR of at least 0.5 and height of at least 8.5m;
- Reduction of parking (for example, to 0.5 parking spaces per one bedroom strata dwelling, 1.0 space per two bedroom strata dwelling, and 1.5 spaces per three bedroom strata dwelling, which is close to actual car ownership rates for strata dwellings).

Lake Wyangan area is likely to provide for further Greenfield expansion once the Collina Precinct is fully developed.⁸⁰ Based on the availability of land in the Collina area, rezoning in this area to R1 is likely to be required by 2030. Similar constraints to housing diversity and affordability would apply as for Collina Precinct without changes to the DCP and/or LEP.

Parking Controls versus Actual Ownership

Addition parking adds to the cost of the dwelling by both the cost of provision of the parking and the reduction in dwelling yield due to site area constraints. Each affect the viability and the affordability of developments.

The current DCP requires 1 parking space per one bedroom dwelling, 1.5 parking spaces per two bedroom dwelling and two spaces per three bedroom dwelling. The table below shows **actual** car ownership for selected dwelling types in Griffith at the 2016 Census.

It can be seen that **lower levels of parking requirements can be justified**, and that even with the existing parking levels, some households will access on street parking while others will not use parking spaces provided. The adoption of a lower standard, such as 0.5 spaces per one bedroom unit, 1.0 spaces per two bedroom unit and 1.5 spaces per three bedroom unit will add to the viability of Residential Flat Buildings and Multi Dwelling Housing, and so would be expected to lead to an increase in the supply of affordable and/or lower cost housing.

Table 6-8: Average car ownership per dwelling in selected dwellings, and rates of households with no vehicle

	Studio and one bedroom	% with no car	Two bedroom	% with no car	Three bedroom	% with no car
Residential Flat Buildings	0.7	43%	1.1	14%	1.5	11%
Multi Dwelling Housing	0.6	51%	1.1	11%	1.4	3%

Source: JSA 2018, based on data from ABS Census of Population and Housing 2016 (Table Builder)

Boarding Houses

Planning Issues

Increasingly, Boarding Houses, particularly New Generation Boarding Houses under *SEPP Affordable Rental Housing 2009* are likely to provide affordable accommodation to very low and low income households made up of single people or couple only households, and would be a beneficial form of

⁸⁰ Advice from Council officers, 11 December 2018.

accommodation for very low and low income workers, including where they may only plan to stay for a year or two in the local area.

Under the SEPP, Boarding Houses are allowable with consent in areas zoned R1 General Residential, R2 Low Density residential (within 400 metres walking distance of land zoned B2 Local Centre or B4 Mixed Use), B1 Neighbourhood Centre, B2 Local Centre and B4 Mixed Use.

Boarding Houses are an allowable use under the Griffith LEP 2014 in areas zoned R1 General Residential, R5 Large Lot Residential, B1 Neighbourhood Centre, B2 Local Centre and B4 Mixed Use. It is not evident what controls apply to boarding house development in Griffith. As there are no FSR controls in Griffith LGA, the only bonus for development of boarding houses will be a reduction in parking.

New Generation Boarding Houses for Diverse Target Groups

As noted, 'bricks and mortar' could be funded through development partnerships on public land, such as those discussed in **Section 6.5** below (for example, between Council and Argyle Community and/or another CHP or NGO); and could be provided as part of a mixed use development, or as a standalone option. The SEPP provides for minimum room sizes for single rooms, option for self-contained facilities (bathroom, toilet, and kitchenette) as well as shared facilities (e.g. common room, share kitchen and outdoor open space) depending on the size of the facility.

Affordable rents are provided for where developers seek to gain Land Tax Concessions, and such facilities can be developed and managed by a private developer or a registered Community Housing Provider such as Argyle Community Housing, like the New Generation Boarding House pictured below, and operated by Hume Community Housing in Sydney.



Figure 6.4: New Generation Boarding Houses managed by Hume Community Housing



Figure 6.5: New Generation Boarding House managed by Hume Community Housing

Pembroke Street, Ashfield is an example of a modern New Generation Boarding House operated by Hume Community Housing. It offers high quality accommodation with a high quality finish throughout, at an affordable price, mainly to low income working single people and couples.

Each studio features well-appointed living areas, with a fitted fridge freezer, washing machine and tumble dryer as well as having fitted air conditioning. The studio offers a good-sized bedroom area with built in robes and well-appointed bathroom and kitchen. They each have their own balcony or courtyard; and there is also a common area lounge and a common area garden.

To be eligible for accommodation, prospective residents must meet all of the criteria below:

- Be an Australian citizen or Permanent Resident Visa holder, and be currently living in Australia;
- Be in full time or part time work;
- Have links to the area (such as work or close family);
- Meet the income criteria for a very low or low income household;
- Children under 18 and pets are not accepted in these properties;
- All leases are signed for a 12 month fixed term period. After the initial 12 months, a further 12 month lease will be offered for those maintaining eligibility.

Supported Boarding Houses

New Generation Boarding Houses can also be provided with some support to frail aged people or those with a disability who have no or very limited capital base (e.g. with a live-in manager, housekeeper, visiting support staff such as personal care workers, in-home meals, cleaning etc), including through FACS or other government funding, through HACC Community Aged Care Packages, or through models such as Abbeyfield which combine a housekeeper with community

volunteering and resident engagement (potentially with funded support staff through other funding programs).

The Abbeyfield Housing Model offers a community based group housing option for very low income older people and people with a disability who are in need of housing and support:

- Houses are initiated, developed and managed by volunteers from local communities in partnership with Abbeyfield Australia;
- The houses are integrated into the streetscape and are non-institutional in design and operation, and usually accommodate no more than 10 people;
- Residents are encouraged to be active and involved in the running of the house and the life of the community; and
- The operation of the houses is supported by a formal legal and administrative framework linking the local and national levels;
- Support funding for a live-in housekeeper and visiting support staff can be incorporated through different funding programs.

More detail on these and other relevant partnership developments is provided in the **Case Study Booklet** that accompanies this *Background Report*.



Figure 6.6: Abbeyfield House, Williamstown, South Australia

Caravan Parks and Manufactured Home Estates

Under the Griffith LEP, Caravan Parks are an allowable use in areas zoned RU4 Primary Production Small Lots, R5 Large Lot Residential, SP3 Tourist, RE1 Public Recreation and RE2 Private Recreation and are an innominate use in areas zoned RU5 village.

As noted above, on-site vans and cabins, and sites which are rented where residents place their own home, have the potential to be affordable to many very low income households. However, there appears to be a decreasing supply of permanent sites through conversion to tourist uses.

Under SEPP 21, Council is required to impose a development condition specifying the maximum number of sites (if any) within that land that may be used for long-term residence. **Council could consider establishing guidelines encouraging a higher proportion of permanent sites as part of appropriately located parks.**

Council could also identify one or two additional sites for residential caravan parks or MHEs, which could be developed as an alternative housing model and managed by a community housing provider. This would require further investigation, and appropriate sites of an appropriate size may not be available. In this regard, Council owns three parcels of land at Lake Wyangan, zoned RU5, and a caravan park could be developed on part of this area as an innominate use, and may allow development of flood prone land.

This is discussed further [below](#).

Secondary Dwellings

Secondary dwellings (“granny flats”) can be a source of smaller rental accommodation. In 2016, such dwellings comprised 0.2% of rental stock in Greater Sydney and 0.0% of rental stock in Griffith LGA.⁸¹

Under SEPP (Affordable Rental Housing) 2009, secondary dwellings are permissible in zones R1, R2, R3, R4 and R5.

There is scope to increase the stock of affordable rental housing through a local increase in non-subdivided secondary dwellings.

Seniors housing

There is a strong and growing need for affordable seniors housing in the LGA, including for the growing cohort of older people on pensions who are entering the long-term rental market, and cannot afford to rent privately post-retirement; older people who have been evicted from caravan parks as they move to short-term and tourist uses; and older people living in rural more remote areas of the LGA who may not have significant equity (or may have high levels of debt) on their existing asset.

⁸¹ ABS Census 2016, TableBuilder
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The RSL LifeCare model, discussed in Section 2.16 above, provides a good model of accessible and affordable rental accommodation for asset poor older people. Such accommodation can be developed as part of a partnership development on land owned by Council or another public authority in a well-located area, and is discussed further below.

6.3.4 Incentive based variations

Market based incentives

Based on preliminary modelling above, there appear to be opportunities to create benefit for developers through the provision of additional density within Griffith in areas where residential flat buildings are permissible.

Council could consider provision of extra density and/or reduction of parking requirements to the requirements in SEPP Affordable Rental Housing where smaller one and two bedroom apartments are constructed (for example, in accordance with the Apartment Design Guide sizes+10%).

This could encourage the development of a valuable source of well-located lower cost or affordable housing, given the general affordability of smaller apartments to low income households in Griffith LGA. However, it is noted that land value uplift is quite low, so this may need to be explored further.

Incentives to provide opportunities for benefit capture

Based on preliminary modelling above, there are likely to be **limited opportunities** for value capture as a result of changes to planning controls in Griffith LGA due to low land values and insufficient value uplift from up-zoning.

6.4 Mandatory Intervention

6.4.1 Introduction

Mandating of housing diversity is likely to be an effective mechanism for creation of affordable housing. This will be equitable where the mandating of such dwellings does not constitute an undue impost on the viability of development.

6.4.2 Mandating Housing Diversity

Existing areas

One bedroom and two bedroom strata dwellings are affordable to low income purchasers and renters, and where they are available they tend to enter the rental market. Further, amenity of dwelling generally increases price, so that smaller dwellings with one bathroom are likely to increase affordability. However, such properties are in very short supply in the LGA and are likely to be particularly attractive to very low income older people as they become less able, or need to move from a more remote area.

Council could consider **mandating a proportion** of one bedroom, one bathroom dwellings with a maximum floor area of 50 or 55 m² in multi dwelling housing developments and residential flat developments (for example, one dwelling in five or 20% of dwellings).

Two bedroom strata dwellings are affordable to around one third of low income renting households and all moderate income households. Again, supply and amenity (dwelling size, appointment and location) are likely to impact on price and affordability for dwellings that have the potential to be more affordable.

As well as encouraging an increased supply of two bedroom strata dwellings, and ensuring that there are no planning impediments to their development as outlined above, Council could consider **mandating a proportion** of two bedroom, one bathroom dwellings with a maximum floor area of 70 or 75 m² in multi dwelling housing developments and residential flat developments in areas within 400 metres of B2 and B4 zones (for example, two in five or 40% of dwellings).

Greenfield sites

As well as the greater affordability of smaller strata dwellings, smaller dwellings on smaller lots in Greenfield developments are likely to be affordable to most moderate income households. It is likely that smaller strata dwellings and small lot housing will also be more attractive to investors, and thus increase the supply of rental accommodation to low income renters.

Council could **adopt a masterplan DCP or similar approach to Greenfield developments** and include the following types of requirements:

- A proportion of lots to be allocated to multi dwelling housing (for example, 10% of lots), with mandatory provisions for smaller two bedroom stock above (i.e. two bedroom, one bathroom dwellings with a maximum floor area of 70 or 75 m²);
- A proportion of lots be allocated as smaller lots (for example, 10% of lots or 5% of the masterplan area as 450 m² lots);
- A proportion of separate houses of a specified size (for example, three bedroom dwellings with one bathroom and a maximum floor area of 120 m²).

6.4.3 Mandate contribution to or inclusion of affordable housing

As noted above, under *SEPP 70 (Affordable Housing)*, Council can impose mandatory contributions toward affordable housing. The SEPP was recently rolled out across the State of NSW, providing opportunities for benefit capture that was only available in a handful of Sydney council areas.

Preliminary modelling above suggests that there are **unlikely to be significant opportunities for value capture**, and hence limited opportunity to obtain mandatory contributions for affordable housing. If such a condition was imposed, it would be expected to reduce the affordability of market housing, and market housing is currently meeting the demand for affordable housing for moderate income households.

6.4.4 Protect low cost housing

SEPP Affordable Rental Housing provides a mechanism for the protection of low rental residential buildings. Council should ensure that planners are aware of this mechanism and that development applications are routinely assessed with regard to low rental accommodation and that appropriate conditions are put in place.

This may be important in Griffith as there is a large stock of older flat buildings,⁸² and our preliminary investigations suggest that many of these buildings are in single ownership. There does not appear to be pressure for strata subdivision of these dwellings, however changing market conditions could lead to applications for strata subdivision and sale with consequent loss of affordable rental housing.

6.5 Direct Market Intervention

6.5.1 Summary

Overview

As discussed above, there are some significant gaps in market provision of affordable housing, in particular, to very low income renters (smaller and family households on incomes derived from pensions and benefits as well as very low-waged jobs), and at least the lower 50% of low income renters and purchasers, and most family households. Although more efficient market delivery will cater for some low income and most moderate income households, direct market interventions will be the most effective way of providing for the housing needs of those on very low incomes, and many on low incomes as well.

A range of potential partnership, funding, development, management and risk management arrangements are possible on publicly owned land, as discussed in **Section 6.5.2** below, and in the Case Study Booklet. These can reduce the risk and increase the yield of affordable housing that would otherwise be available, particularly where the partnering agency is a Community Housing Provider.

Potential Site for Affordable Housing Partnerships

A first cut assessment of a range of Council- and publicly-owned sites with regard to suitability of size, location, zoning and freedom from significant constraints has been undertaken, and reported in **Section 6.5.2 below**. The better located sites provide opportunities for redevelopment or more efficient utilisation of land in three precincts close to Griffith CBD Central Griffith, Wakaden and Coolah Precincts for multi-tenure affordable housing developments, New Generation Boarding Houses and/or affordable seniors developments.

⁸² Review of lots in Coolah Street using EAC RedSquare data base.

Other sites at Lake Wyangan would be suitable for an affordable Manufactured Housing Estate or similar development, where the more liberal regulatory and approvals regime would provide for a more rapid response to the current rental housing crisis. Such a development could be owned and developed by Council acting alone or in partnership with a Community Housing Provider, and/or managed by a Community Housing Provider to ensure that it is well managed and remains affordable.

Other opportunities include the progressive or selective redevelopment of large scale public housing estates in Macarthur and Murrumbidgee Precincts, noting the under-occupancy of three and four bedroom homes of around 120 dwellings, with 17% of 3+ bedroom homes occupied by one or two people, and 17% of 3+ bedroom homes occupied by one person.⁸³ This provides the opportunity to better meet current and projected housing need for smaller very low households in the LGA who would be eligible for social housing, as well as potentially making some housing available as part of multi-tenure redevelopment to very low and low income working families without losing any social housing stock in absolute terms.

Opportunities on other land is also explored in relation to the underutilised site occupied by Barnabas House, where a number of the dwellings appear to be vacant and in poor repair; and the Showground, where there appear to be underutilised capacity for residential caravans or MHEs. Our site visit⁸⁴ indicates that there are currently around 50 sites accommodating older caravans and mobile homes, as well as a small number of cabins, and that these are generally accommodating longer-term very low and low income households, including older people and those with a disability on pensions and benefits, and low income workers. An expanded or new MHE could be constructed on vacant land and to the northwest. However, any redevelopment of the existing caravan park would need to carefully consider the needs of existing residents, and replace existing accommodation with affordable housing for existing residents, particularly those who have a long association with the site and nowhere to relocate to.

Preliminary Assessment of Economic Feasibility

A range of scenarios were modelled in a preliminary way to assess the likely feasibility of affordable housing developments in the local housing market context on indicative sites. This is reported in Section 6.5.4 (refer also to **Section 6.3.2** above on the Economics of Redevelopment).

Our preliminary assessment indicates that a range of indicative developments modelled on Council-owned land would be economically feasible (income would exceed costs). These are a multi-tenure affordable villa development, residential flat building and New Generation Boarding House, and an affordable MHE or caravan park. Assumptions are conservative, and varying these would make the developments even more favourable.

⁸³ ABS 2016 Census, TableBuilder.

⁸⁴ December 2018

A seniors' development targeting older pensioners would not break even unless somewhat higher than 'affordable rents were charged, although at \$230 per week, such rental would still likely provide lower cost rental than is often available through the market, in a community setting.

- Our preliminary assessment indicates that the affordable housing developments modelled on Council-owned land in Central Griffith (a **multi-tenure affordable villa development, residential flat building and New Generation Boarding House**), would all be economically feasible and provide for reasonable yield in the local housing context. Varying assumptions used would increase yield and/or income, and thus improve economic feasibility.
- Preliminary modelling was also undertaken on the development of an **affordable MHE or caravan park owned and/managed by Council and/or by a Community Housing** provider on Council-owned land at Lake Wyangan. The modelling indicates that, even assuming very low income households and commensurate rents, the income typically exceeded costs by 42%, making it likely a profitable venture.
- Modelling was also conducted on an **affordable senior's development** for very low income older renters on Council land in central Griffith. This indicates that an external source of funding would be required for such a development to be viable (income to exceed costs) at rents that are affordable to people reliant on an aged pension. Alternatively, higher rents could be charged to offset costs, meaning that people would pay somewhat more than 30% of their income, but providing lower cost rental than is often available through the market, in a community setting.

6.5.2 Provision of Affordable Housing on Council or Public Land: Potential Partnership Arrangements

Given the limitations of market delivery of affordable housing to all very low income households, and to low income purchasing and renting households in the lower 50% of the income band, an effective way of delivering affordable housing is through development of such housing on public land, and rented through/managed by a registered Community Housing Provider, such as Argyle Community Housing. This land may be owned by Council, or by another public authority, and have the potential for development or redevelopment due to being vacant, having a redundant use or being underutilised. It can be developed as a standalone affordable housing development, or as part of a mixed use and/or mixed tenure development.

Such land can be developed under a variety of contractual arrangements - by Council acting alone; or in conjunction with a partnering agency or agencies, such as a registered Community Housing Provider. The desired outcomes for Council and the community can be specified by Council, for example, under a competitive EOI process, with performance criteria related to number and mix of dwellings, target groups to be accommodated, expected returns, sharing of risk, title sharing arrangements, etc.

Financially, the arrangement can be structured in a number of ways, depending on Council's preference. It can involve an effective contribution from Council (e.g. in the form of part or all of the capital cost of the land); can be cost neutral (e.g. where some of the units are sold to recoup the cost

of the land); or even revenue raising in some markets (for example, where some units are sold to fund the cost of development, and income generating uses such as residential, commercial or retail are provided in the development). The site can also be a 'recipient' site for income generated through contributions to affordable housing generated off site through the planning system (e.g. through incentive-based contributions).

A community housing provider like Argyle Community Housing can be involved as a partner in the development process, can take the lead on development, or can simply be the manager of social and affordable housing created as part of the development process, depending on how much risk Council is willing to accept.

Council has more direct control of the future redevelopment of sites which it owns, manages and/or otherwise controls. However, there are also opportunities to make the redevelopment of other publicly owned sites more attractive to government authorities through the planning system and proactive approaches to such authorities.

7 APPENDIX A: Detailed Employment and Industry Data

Table 7.1: Employment Data, City of Griffith

INDP - 1 Digit Level	2016	2011	2006	Change 2006/16
Agriculture, Forestry and Fishing	1235	1102	1278	-43
Mining	12	8	4	8
Manufacturing	2332	1985	2027	305
Electricity, Gas, Water and Waste Services	192	204	170	22
Construction	687	553	522	165
Wholesale Trade	295	419	551	-256
Retail Trade	1474	1550	1523	-49
Accommodation and Food Services	617	542	494	123
Transport, Postal and Warehousing	379	306	298	81
Information Media and Telecommunications	75	68	73	2
Financial and Insurance Services	186	225	217	-31
Rental, Hiring and Real Estate Services	123	117	136	-13
Professional, Scientific and Technical Services	408	397	395	13
Administrative and Support Services	332	194	197	135
Public Administration and Safety	530	528	460	70
Education and Training	788	737	667	121
Health Care and Social Assistance	1364	1082	916	448
Arts and Recreation Services	67	64	52	15
Other Services	487	441	423	64
Inadequately described	383	81	94	289
Not stated	157	4	31	126
Not applicable	0	0	0	0
Total	12134	10605	10526	1608

Source: JSA 2018, based on data from ABS Census

Table 7.2: Employment Data, City of Griffith

INDP - 1 Digit Level	2016	2011	2006	Change 2006/16
Health Care and Social Assistance	1364	1082	916	448
Manufacturing	2332	1985	2027	305
Construction	687	553	522	165
Administrative and Support Services	332	194	197	135
Accommodation and Food Services	617	542	494	123
Education and Training	788	737	667	121
Transport, Postal and Warehousing	379	306	298	81
Public Administration and Safety	530	528	460	70
Other Services	487	441	423	64
Electricity, Gas, Water and Waste Services	192	204	170	22
Arts and Recreation Services	67	64	52	15
Professional, Scientific and Technical Services	408	397	395	13
Mining	12	8	4	8
Information Media and Telecommunications	75	68	73	2
Rental, Hiring and Real Estate Services	123	117	136	-13
Financial and Insurance Services	186	225	217	-31
Agriculture, Forestry and Fishing	1235	1102	1278	-43
Retail Trade	1474	1550	1523	-49
Wholesale Trade	295	419	551	-256

Source: JSA 2018, based on data from ABS Census

Table 7.3: Employment data City of Griffith (categories with no employment are not shown)

INDP - 4 Digit Level	2006	2016	Change 2006/16
Poultry Processing	468	775	307
Aged Care Residential Services	157	331	174
Soft Drink, Cordial and Syrup Manufacturing	3	106	103
Agriculture, nfd	61	142	81
Cafes and Restaurants	106	182	76
Other Social Assistance Services	100	171	71
Other Heavy and Civil Engineering Construction	36	103	67
Building and Other Industrial Cleaning Services	51	112	61
Takeaway Food Services	122	181	59
Secondary Education	196	255	59
General Practice Medical Services	59	102	43
Hospitals (except Psychiatric Hospitals)	292	334	42
Primary Education	251	288	37
Other Machinery and Equipment Repair and Maintenance	44	81	37
Other Agriculture and Fishing Support Services	55	91	36
Accounting Services	118	154	36
Packaging Services	40	76	36
Dental Services	16	52	36
Beer Manufacturing	0	34	34
Agricultural Machinery and Equipment Manufacturing	34	68	34
Preschool Education	46	80	34
Combined Primary and Secondary Education	3	37	34
Bread Manufacturing (Factory based)	8	39	31
Nursery Production (Outdoors)	16	45	29
Poultry Farming (Eggs)	11	36	25
Concreting Services	23	48	25
Supermarket and Grocery Stores	306	331	25
Building Construction, nfd	13	37	24
Other Allied Health Services	32	56	24
Hairdressing and Beauty Services	113	137	24
Non-Residential Building Construction	18	40	22

INDP - 4 Digit Level	2006	2016	Change 2006/16
Pharmaceutical, Cosmetic and Toiletry Goods Retailing	95	117	22
Office Administrative Services	6	28	22
Police Services	70	91	21
Sugar Manufacturing	3	23	20
Agricultural and Construction Machinery Wholesaling	60	80	20
Central Government Administration	52	72	20
Construction, nfd	13	32	19
Department Stores	94	113	19
Investigation and Security Services	10	28	18
Other Specialised Machinery and Equipment Manufacturing	17	34	17
Transport, Postal and Warehousing, nfd	3	19	16
Stevedoring Services	18	34	16
Engineering Design and Engineering Consulting Services	9	25	16
Labour Supply Services	22	38	16
Other Automotive Repair and Maintenance	85	101	16
Agriculture, Forestry and Fishing, nfd	7	22	15
Site Preparation Services	44	59	15
Carpentry Services	17	32	15
Other Construction Services, nec	13	28	15
Manchester and Other Textile Goods Retailing	12	27	15
Pathology and Diagnostic Imaging Services	26	41	15
Electrical Services	46	60	14
Food and Beverage Services, nfd	5	18	13
Vegetable Growing (Outdoors)	39	51	12
Poultry Farming, nfd	57	69	12
Painting and Decorating Services	16	28	12
Cotton Growing	0	11	11
Other Converted Paper Product Manufacturing	0	11	11
Liquor Retailing	16	27	11
Sport and Camping Equipment Retailing	14	25	11
Road Freight Transport	156	167	11
Surveying and Mapping Services	3	14	11

INDP - 4 Digit Level	2006	2016	Change 2006/16
Local Government Administration	217	228	11
Specialist Medical Services	6	17	11
Plumbing Services	40	50	10
Heavy Machinery and Scaffolding Rental and Hiring	6	16	10
Other Fabricated Metal Product Manufacturing, nec	0	9	9
Water Supply	109	118	9
Footwear Retailing	15	24	9
Wired Telecommunications Network Operation	8	17	9
Property Operators and Real Estate Services, nfd	0	9	9
Veterinary Services	8	17	9
Regulatory Services	0	9	9
Child Care Services	100	109	9
Other Personal Services, nec	12	21	9
Grain Mill Product Manufacturing	5	13	8
General Line Grocery Wholesaling	3	11	8
Car Retailing	101	109	8
Tyre Retailing	11	19	8
Clothing Retailing	134	142	8
Grain Storage Services	4	12	8
Fruit and Tree Nut Growing, nfd	24	31	7
Boiler, Tank and Other Heavy Gauge Metal Container Manufacturing	13	20	7
Shipbuilding and Repair Services	0	7	7
Plastering and Ceiling Services	6	13	7
Commercial Vehicle Wholesaling	4	11	7
Courier Pick-up and Delivery Services	4	11	7
Other Telecommunications Network Operation	0	7	7
Internet Service Providers and Web Search Portals	0	7	7
Optometry and Optical Dispensing	6	13	7
Other Fruit and Tree Nut Growing	3	9	6
Other Food Product Manufacturing, nec	3	9	6
Building Completion Services, nfd	0	6	6

INDP - 4 Digit Level	2006	2016	Change 2006/16
Metal and Mineral Wholesaling	4	10	6
Non-Store Retailing	0	6	6
Port and Water Transport Terminal Operations	0	6	6
Ambulance Services	11	17	6
Vegetable Growing (Under Cover)	0	5	5
Confectionery Manufacturing	0	5	5
Basic Non-Ferrous Metal Manufacturing, nfd	11	16	5
Structural Steel Fabricating	0	5	5
Motor Vehicle Body and Trailer Manufacturing	0	5	5
Electricity Distribution	40	45	5
Catering Services	3	8	5
Other Administrative Services, nec	3	8	5
Sports and Physical Recreation Instruction	0	5	5
Arts Education	9	14	5
Medical Services, nfd	0	5	5
Sports and Physical Recreation Venues, Grounds and Facilities Operation	10	15	5
Mushroom and Vegetable Growing, nfd	0	4	4
Beef Cattle Farming (Specialised)	12	16	4
Other Construction Material Mining	3	7	4
Food Product Manufacturing, nfd	13	17	4
Cake and Pastry Manufacturing (Factory based)	0	4	4
Prepared Animal and Bird Feed Manufacturing	0	4	4
Aircraft Manufacturing and Repair Services	4	8	4
Pump and Compressor Manufacturing	0	4	4
Other Machinery and Equipment Wholesaling, nec	10	14	4
Scenic and Sightseeing Transport	0	4	4
Other Warehousing and Storage Services	4	8	4
Motion Picture and Video Production	0	4	4
Motion Picture Exhibition	9	13	4

INDP - 4 Digit Level	2006	2016	Change 2006/16
Employment Placement and Recruitment Services	30	34	4
Higher Education	3	7	4
Residential Care Services, nfd	0	4	4
Laundry and Dry-Cleaning Services	16	20	4
Meat and Meat Product Manufacturing, nfd	0	3	3
Milk and Cream Processing	0	3	3
Beverage Manufacturing, nfd	0	3	3
Primary Metal and Metal Product Manufacturing, nfd	0	3	3
Gas Supply	0	3	3
Construction Services, nfd	0	3	3
Structural Steel Erection Services	3	6	3
Tiling and Carpeting Services	18	21	3
Interurban and Rural Bus Transport	0	3	3
Finance, nfd	6	9	3
Rental and Hiring Services (except Real Estate), nfd	0	3	3
Real Estate Services	65	68	3
Scientific Testing and Analysis Services	0	3	3
Market Research and Statistical Services	7	10	3
Call Centre Operation	0	3	3
Fire Protection and Other Emergency Services	8	11	3
Museum Operation	0	3	3
Performing Arts Venue Operation	0	3	3
Other Services, nfd	0	3	3
Shearing Services	3	5	2
Bakery Product Manufacturing (Non-factory based)	31	33	2
Iron Smelting and Steel Manufacturing	37	39	2
Solid Waste Collection Services	11	13	2
Landscape Construction Services	12	14	2
Timber Wholesaling	3	5	2
Postal Services	40	42	2
Radio Broadcasting	10	12	2
Telecommunications Services, nfd	5	7	2
Libraries and Archives	3	5	2
Financial and Insurance Services, nfd	3	5	2

INDP - 4 Digit Level	2006	2016	Change 2006/16
Gardening Services	11	13	2
Public Administration, nfd	3	5	2
Sports and Physical Recreation Clubs and Sports Professionals	9	11	2
Other Interest Group Services, nec	3	5	2
Pig Farming	4	5	1
Fertiliser Manufacturing	3	4	1
Metal Coating and Finishing	4	5	1
Other Motor Vehicle Parts Manufacturing	3	4	1
Other Furniture Manufacturing	3	4	1
Waste Collection Services, nfd	3	4	1
Other Residential Building Construction	28	29	1
Commission-Based Wholesaling	23	24	1
Other Electrical and Electronic Goods Retailing	4	5	1
Urban Bus Transport (Including Tramway)	31	32	1
Air and Space Transport	6	7	1
Auxiliary Finance and Investment Services, nfd	3	4	1
Auxiliary Insurance Services	8	9	1
Professional, Scientific and Technical Services (except Computer System Design and Related Services), nfd	8	9	1
Justice	7	8	1
Physiotherapy Services	9	10	1
Automotive Electrical Services	16	17	1
Clothing and Footwear Repair	3	4	1
Road Passenger Transport, nfd	7	7	0
Rail Freight Transport	4	4	0
Non-Residential Property Operators	9	9	0
Architectural Services	10	10	0
Professional Photographic Services	7	7	0
Computer System Design and Related Services	32	32	0
Correctional and Detention Services	5	5	0
Education and Training, nfd	8	8	0
Other Health Care Services, nec	4	4	0
Creative Artists, Musicians, Writers and Performers	3	3	0

INDP - 4 Digit Level	2006	2016	Change 2006/16
Health and Fitness Centres and Gymnasias Operation	17	17	0
Domestic Appliance Repair and Maintenance	5	5	0
Sheep-Beef Cattle Farming	4	3	-1
Toy, Sporting and Recreational Product Manufacturing	5	4	-1
Fire and Security Alarm Installation Services	5	4	-1
Glazing Services	4	3	-1
Basic Material Wholesaling, nfd	4	3	-1
Fuel Retailing	44	43	-1
Toy and Game Retailing	5	4	-1
Stationery Goods Retailing	8	7	-1
Flower Retailing	10	9	-1
Other Transport Support Services, nec	8	7	-1
Credit Union Operation	9	8	-1
Other Specialised Design Services	13	12	-1
Legal Services	76	75	-1
Chiropractic and Osteopathic Services	9	8	-1
Other Repair and Maintenance, nec	6	5	-1
Funeral, Crematorium and Cemetery Services	6	5	-1
Stone Fruit Growing	14	12	-2
Sheep, Beef Cattle and Grain Farming, nfd	5	3	-2
Meat Processing	19	17	-2
Printing	23	21	-2
Concrete Product Manufacturing	10	8	-2
Other Electrical and Electronic Goods Wholesaling	12	10	-2
Houseware Retailing	10	8	-2
General Insurance	22	20	-2
Other Motor Vehicle and Transport Equipment Rental and Hiring	9	7	-2
Special School Education	26	24	-2
Health Care and Social Assistance, nfd	22	20	-2
Berry Fruit Growing	3	0	-3
Other Crop Growing, nec	3	0	-3
Aquaculture, nfd	3	0	-3
Clothing Manufacturing	3	0	-3
Pesticide Manufacturing	3	0	-3

INDP - 4 Digit Level	2006	2016	Change 2006/16
Glass and Glass Product Manufacturing	3	0	-3
Fabricated Metal Product Manufacturing, nfd	3	0	-3
Other Metal Container Manufacturing	3	0	-3
Spring and Wire Product Manufacturing	3	0	-3
Plumbing Goods Wholesaling	7	4	-3
Grocery, Liquor and Tobacco Product Wholesaling, nfd	3	0	-3
Dairy Produce Wholesaling	3	0	-3
Furniture, Floor Covering and Other Goods Wholesaling, nfd	3	0	-3
Furniture and Floor Covering Wholesaling	3	0	-3
Jewellery and Watch Wholesaling	3	0	-3
Fresh Meat, Fish and Poultry Retailing	41	38	-3
Fruit and Vegetable Retailing	10	7	-3
Other Specialised Food Retailing	42	39	-3
Floor Coverings Retailing	7	4	-3
Garden Supplies Retailing	13	10	-3
Entertainment Media Retailing	8	5	-3
Other Personal Accessory Retailing	3	0	-3
Rail Transport, nfd	3	0	-3
Magazine and Other Periodical Publishing	3	0	-3
Passenger Car Rental and Hiring	3	0	-3
Other Administrative Services, nfd	3	0	-3
Document Preparation Services	3	0	-3
State Government Administration	84	81	-3
Other Public Order and Safety Services	3	0	-3
Hospitals, nfd	3	0	-3
Other Residential Care Services	20	17	-3
Social Assistance Services, nfd	30	27	-3
Nature Reserves and Conservation Parks Operation	14	11	-3
Poultry Farming (Meat)	36	32	-4
Cut and Sewn Textile Product Manufacturing	4	0	-4

INDP - 4 Digit Level	2006	2016	Change 2006/16
Ready-Mixed Concrete Manufacturing	14	10	-4
Sheet Metal Product Manufacturing (except Metal Structural and Container Products)	4	0	-4
Sewerage and Drainage Services	4	0	-4
Taxi and Other Road Transport	7	3	-4
Superannuation Funds	4	0	-4
Residential Property Operators	10	6	-4
Travel Agency and Tour Arrangement Services	16	12	-4
Automotive Repair and Maintenance, nfd	4	0	-4
Apple and Pear Growing	5	0	-5
Agriculture and Fishing Support Services, nfd	8	3	-5
Corrugated Paperboard and Paperboard Container Manufacturing	5	0	-5
Whiteware Appliance Manufacturing	5	0	-5
Motor Vehicle Parts Retailing	17	12	-5
Video and Other Electronic Media Rental and Hiring	11	6	-5
Other Gambling Activities	5	0	-5
Machinery and Equipment Repair and Maintenance, nfd	8	3	-5
Labour Association Services	5	0	-5
Pulp, Paper and Paperboard Manufacturing	6	0	-6
Steel Pipe and Tube Manufacturing	6	0	-6
Other Machinery and Equipment Manufacturing, nec	6	0	-6
Wholesale Trade, nfd	18	12	-6
Cereal Grain Wholesaling	6	0	-6
Food Retailing, nfd	12	6	-6
Hardware and Building Supplies Retailing	102	96	-6
Health Insurance	6	0	-6
Public Administration and Safety, nfd	6	0	-6
Medical and Other Health Care Services, nfd	21	15	-6
Electronic (except Domestic Appliance) and Precision Equipment Repair and Maintenance	15	9	-6

INDP - 4 Digit Level	2006	2016	Change 2006/16
Paper Stationery Manufacturing	12	5	-7
Basic Organic Chemical Manufacturing	7	0	-7
Cement, Lime, Plaster and Concrete Product Manufacturing, nfd	10	3	-7
Prefabricated Metal Building Manufacturing	10	3	-7
Other Store-Based Retailing, nfd	11	4	-7
Electrical, Electronic and Gas Appliance Retailing	62	55	-7
Hardware, Building and Garden Supplies Retailing, nfd	7	0	-7
Marine Equipment Retailing	7	0	-7
Advertising Services	10	3	-7
Building Pest Control Services	10	3	-7
Repair and Maintenance, nfd	13	6	-7
Automotive Body, Paint and Interior Repair	47	40	-7
Religious Services	22	15	-7
Architectural Aluminium Product Manufacturing	8	0	-8
Computer and Computer Peripheral Retailing	15	7	-8
Newspaper and Book Retailing	42	34	-8
Non-Metallic Mineral Product Manufacturing, nfd	9	0	-9
Watch and Jewellery Retailing	28	19	-9
Business and Professional Association Services	9	0	-9
Motor Vehicle Manufacturing	10	0	-10
Other Specialised Industrial Machinery and Equipment Wholesaling	18	8	-10
Architectural, Engineering and Technical Services, nfd	16	6	-10
School Education, nfd	18	8	-10
Other Goods and Equipment Rental and Hiring, nec	15	4	-11
Machinery and Equipment Manufacturing, nfd	19	7	-12
Industrial and Agricultural Chemical Product Wholesaling	25	13	-12
Newspaper Publishing	20	8	-12
Adult, Community and Other Education, nec	29	17	-12
Wooden Structural Fitting and Component Manufacturing	20	7	-13

INDP - 4 Digit Level	2006	2016	Change 2006/16
Petroleum Product Wholesaling	21	8	-13
Furniture Retailing	47	34	-13
Accommodation	108	95	-13
Other Auxiliary Finance and Investment Services	34	21	-13
Air Conditioning and Heating Services	22	8	-14
Pubs, Taverns and Bars	43	29	-14
Grain-Sheep or Grain-Beef Cattle Farming	52	36	-16
Motor Cycle Retailing	21	5	-16
Clubs (Hospitality)	113	96	-17
Free-to-Air Television Broadcasting	20	3	-17
Banking	122	105	-17
Other Store-Based Retailing, nec	62	44	-18
Other Grain Growing	236	215	-21
Management Advice and Related Consulting Services	41	20	-21
Technical and Vocational Education and Training	68	46	-22
Other Hardware Goods Wholesaling	37	13	-24
Scientific Research Services	29	3	-26
Other Agricultural Product Wholesaling	57	28	-29
Retail Trade, nfd	79	44	-35
Fruit and Vegetable Wholesaling	49	12	-37
Liquor and Tobacco Product Wholesaling	46	5	-41
Fruit and Vegetable Processing	75	32	-43
Other Grocery Wholesaling	54	3	-51
Meat, Poultry and Smallgoods Wholesaling	55	0	-55
Manufacturing, nfd	109	47	-62
House Construction	117	48	-69
Citrus Fruit Growing	243	158	-85
Wine and Other Alcoholic Beverage Manufacturing	923	787	-136
Grape Growing	365	184	-181

Source: JSA 2018, based on data from ABS Census

8 APPENDIX C: Review of Potential Redevelopment Precincts and Relevant Planning Controls

8.1 Analysis of Potential Redevelopment Areas

8.1.1 Precinct 1: Central Griffith

B4 Zone (Civic Circle and Surrounds)

The area contains evidence of significant historical development for residential flat buildings that predates the 1999 DCP. More recent construction shows demand for residential flat buildings, with construction of serviced apartments and of shop top housing and mixed developments in adjacent areas zoned B2 likely due to DCP density and site area constraints.

The quality of housing varies, but there are a large number of older and rundown houses on large lots, lower value commercial and industrial uses on some lots, under-utilised land and vacant land in this precinct. These uses provide opportunities for redevelopment, including on consolidated lots.

More recent medium density development consists of multi dwelling housing, as would be expected from constraints to the construction of apartment buildings in DCP controls.

The pictures below show low value commercial uses and lower quality housing (smaller fibro cottages on large blocks) in the precinct, providing opportunities for redevelopment sites.



Figure 8-1: Low value commercial use and older low quality housing and vacant or underutilised land



Figure 8-2: Lower value older housing in Kookora Street with redevelopment potential



Figure 8-3: Older houses and underutilised land with potential redevelopment

There are a significant number of residential flat buildings, pre-dating the existing DCP, in the precinct, as shown in the following photos.



Figure 8-4: Older residential flat buildings constructed prior to the existing DCP

As noted, there appears to be demand for residential flat buildings, generally not feasible under the existing DCP, as shown by the development of shop top housing in immediately adjacent B2 zoning, and serviced apartments in the B4 zone, as shown below.



Figure 8-5: Shop top housing (B2 zone adjacent)



Figure 8-6: Serviced apartments (B4 zone)

As shown below, more recent medium density housing is multi dwelling housing, typically villas.



Figure 8-7: Newly constructed villas

B2 Zone (Banna Avenue and Surrounds)

Investigation in this area focused on Olympic and Railway Streets in the north and the area between Canal Street and Yambil Street in the south.

Like Precinct 1, this area contains evidence of historical development for residential flat buildings that predates the 1999 DCP. More recent construction shows demand for residential flat buildings, with construction of shop top housing in B2 zoned areas.

There are many redevelopment opportunities, including vacant land along Railway Street and lower quality housing and low value industrial uses along Canal Street, and opportunities for lot consolidation.

Residential flat buildings have previously been constructed in the area, as shown in the photos below.



Figure 8-8: Older flats on the edge of B4 zone (Wayeela Street)



Figure 8-9: Flats in Canal Street – typically 8 flats with at ground parking



Figure 8-10: Older flats in Olympic Street

There are significant development opportunities along Railway Street, with areas of undeveloped land, as shown below.



Figure 8-11: Large block of vacant land in Railway Street near Quest suitable for rezoning

Similarly, there are redevelopment opportunities in Canal St as shown in the pictures below.



Figure 8-12: Older lower quality housing and lower value commercial uses in canal Street

8.1.2 Precinct 3: Coolah

The Coolah Precinct has historically been extensively developed for residential flat buildings. However there is no recent construction of such buildings, most likely because of constraints in the DCP, discussed previously. More recent medium density development consists of multi dwelling housing.

Examples of older residential flat buildings are shown below.



Figure 8-13: Blocks of older flats in Coolah Street

There are significant redevelopment opportunities including of older, lower quality housing and industrial and commercial uses, as well as underutilised land. Opportunities for redevelopment of housing are mainly available in the area between Coolah Street and the Canal.



Figure 8-14: Older commercial and housing in Coolah Street with redevelopment potential

8.1.3 Precinct 2: Wakaden North

Similar to other areas, this precinct contains older residential flat buildings, with recent development consisting of multi dwelling residential. There are limited opportunities for redevelopment, however additional redevelopment opportunities could be obtained by **extending the precinct north to Binya Street.**

There are also opportunities for the redevelopment of older public housing dwellings on larger lots, including in partnership or demonstration affordable housing/multi-tenure developments, and to reconfigure stock to smaller, multi dwelling housing for land use efficiency and to meet changing demographic needs.



Figure 8-15: Department of Housing/Ex-Department of Housing in Wakaden Street with redevelopment potential (left); and older RFBs in Wakaden Street



Figure 8-16: Three new villas under construction in Wakaden Street