

NSW Department of Planning and Environment

CENTRAL COAST REGIONAL GROWTH AND INFRASTRUCTURE PLAN

SUBMISSION BY
PACIFIC LINK HOUSING

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SUMMARY AND RECOMMENDATIONS

Pacific Link provides community housing in the Central Coast region. Our tenants comprise mainly low income households, in many cases experiencing disadvantage.

The Central Coast's population is growing and is expected to continue to grow. This will put increasing pressure on local housing markets (both for sale and rental), with lower income and disadvantaged groups particularly vulnerable. There is already an acute shortage of homes for households with low incomes and without action this situation can be expected to worsen.

Much of the limited stock of more affordable homes in the Central Coast is not well located for lower income households. Older stock, including much social housing, was often built in areas where employment opportunities have declined. Most new housing is being built in areas with few facilities and limited public transport access.

There is particular pressure on private rental markets, and rents have continued to rise over the last few years. As a result, affordability problems for lower income households who are not eligible for social housing have become severe.

The greatest 'housing stress' is currently faced by very low income renters. Particularly vulnerable are older people, those relying on government benefits and others with fixed incomes. In 2014 households earning less than 50% of the area's median income could afford only around one in ten local rental properties.

State Government policies set targets for future levels of housing supply, but not for particular price points or size of property. Given the cost of producing new housing, and the market preference for larger detached dwellings, market mechanisms may continue to fail to produce the affordable homes needed in the region.

Social rental housing is already in short supply in the area, at well below NSW levels, and waiting lists long. Funds are extremely limited for constructing new social housing and as a result, the proportion of social housing in the total stock looks set to continue falling from already low levels.

The issue of social disadvantage is particularly important in the Central Coast. Most new social housing applicants have complex

needs rather than simply having low incomes. Many older public housing estates evidence concentrations of disadvantage, and expensive to maintain.

RECOMMENDATIONS

The Central Coast Plan will need a 'whole of government' approach in order to be successfully implemented. There will need to be close and cooperative working between State Government departments and agencies, and local government.

We recommend that the challenges are so great on the Central Coast that a specific agency needs to be established. This will need to be appropriately funded, based on the Central Coast, and be able to coordinate between the stakeholders. The agency will monitor progress with implementation, checking that targets have been achieved.

HOUSING DIVERSITY AND DENSITY

Past policy failures have led to breaks in the housing continuum on the Central Coast. The new Plan needs to address all housing tenures along the housing continuum, and make it easier for transitions to be made.

New housing delivered on the Central Coast needs to be far more diverse than in the past. This diversity includes different types of built forms, including duplexes, shop-top housing and secondary dwellings. It also includes diversity in terms of numbers of bedrooms, and the availability of accessible and adaptable properties for people with disability. Housing tenure should also include new options such as shared equity and shared ownership to allowing working families to transition to home ownership.

Greater housing diversity can be achieved through careful drafting of LEPs, planning incentives and support for demonstration projects showing that alternative built forms work well in practice. State and local governments could also provide land and/or favourable planning bonuses for innovative projects, and continue to partner with the community housing sector.

Housing targets in the Central Coast Plan need to address more than numbers of additional dwellings. Types of dwelling, cost, tenure and localities also need to be addressed. In particular, it is



important to recognise that housing targets should reflect the needs of all sections of the community regardless of income level.

We support the use of density requirements to promote the efficient use of land, in high-cost and high-accessibility locations. In many cases, it is easier and cheaper to provide affordable rental housing in higher density locations than elsewhere. In addition, accessible locations with a good choice of housing are often well served by transport and facilities and therefore meet the needs of lower income residents.

DELIVERING 'INFRASTRUCTURE'

Much recent focus on 'infrastructure' has been on transport projects, particularly roads. Although a number of transport improvements on the Central Coast are long overdue, we consider a broader definition of 'infrastructure' is needed that includes community and social aspects.

New approaches to fund infrastructure are needed, and we recommend consideration is given to using Tax Increment Financing (TIF). This allows public agencies to take tax revenues derived from increases in property values within a defined development area and use those 'incremental' tax revenues to fund the infrastructure and renewal projects that led to this property appreciation.

Using TIF on the Central Coast would moderate up-front costs to developers and Governments, and encourage the supply of more affordable housing.

HOUSING AFFORDABILITY

We believe that the Central Coast Plan should address housing affordability more specifically. It should clearly identify the need for sub-market priced rental housing and lower cost housing for purchase, as well as for additional market-priced housing.

Affordable housing needs to be targeted using existing NSW Government guidelines - i.e. for households below 120% of the area median income. It should ensure affordable home ownership properties give priority to owner occupiers, rather than property investors or those seeking a second home.

One option to deliver more affordable housing is to allow private developers to make voluntary affordable housing contributions in exchange for planning incentives such as increases in density or height. We therefore recommend affordable housing levies should be permitted under inclusionary zoning schemes.

To address the shortages of social housing, more focus should be placed on the contributions of the community housing sector. Organisations such as Pacific Link can leverage private finance, and work on innovative estate renewal funded by own resources such as at Dunbar Way, Gosford.

1 CENTRAL COAST: PLANNING AND HOUSING

Pacific Link, as a major provider of affordable rental housing on the Central Coast, has a good understanding of many issues affecting the region. For over three decades we have been the largest local not-for-profit housing provider.

We particularly share Government's aim of reducing the imbalance between housing supply and demand in order to reduce the rising challenges of housing affordability. However, the housing market is not working efficiently, and various forms of intervention will be needed.

1.1 POPULATION GROWTH AND HOUSING SUPPLY

The September 2014 Discussion Paper includes new 20 year forecasts for the Central Coast:

- Population up by 64,250 to 386,900 by 2031
- 30,750 jobs needed
- Requirement for 36,800 new homes

Population increase drives many of the challenges faced by the Central Coast, including infrastructure requirements, housing demand and economic growth.

POPULATION FORECAST CHALLENGES

Although the 2014 NSW Government population forecasts have been prepared using rational assumptions, it is worth noting that in an earlier planning paper in 2008 the projected population of the Central Coast was over 400,000.

In 2008 the Urban Development Institute of Australia (UDIA) contended that the then Government's projections for the Central Coast were an under-estimate of likely population growth. Although the UDIA is a developers' lobby, likely to favour faster growth, there remains a concern that the 2014 population projections may be too conservative.

The population growth forecasts for Gosford LGA appear to be unduly low. Based on the NSW Government's 2014 population forecasts, Gosford would be the 51st fastest growing LGA of the 52 LGAs in the wider metropolitan area (Sydney, Hunter, Illawarra). The median growth rate across all these LGAs is forecast at 27.1%.

Although there are constraints in developing new homes in the Central Coast, it appears unusual that the population growth rate

in Gosford LGA is forecast to be less than half the increase in other areas with development limits. For example, the growth rate is predicted to be 23.8% in the Blue Mountains, 20.4% in Mossman and 36.1% in Lane Cove.

If the Central Coast forecasts are too low, Government may deliver insufficient social and economic infrastructure. This will place further pressure on the region. As noted in the Discussion Paper, 'the backlog in delivering infrastructure to support growth has been a key challenge for the Central Coast for two decades' (p.12).

1.2 HOUSING STOCK AND SUPPLY

The Discussion Paper's housing focus is mainly on problems with supplying new properties in the Central Coast. There are clear problems with supply, and Government has recently announced a series of initiatives. However, there are also challenges with the existing housing stock in the region that make it ill-prepared for the forecast growth over the next 20 years.

HOUSING DIVERSITY

The Central Coast's housing stock is dominated by detached houses. From Table 1, both LGAs have a higher proportion of detached housing than across NSW. This housing form is most prevalent in the north of the region, in Wyong LGA. Most 'attached dwellings' are semi-detached or terraces, with few apartments or units available.

TABLE 1: HOUSING TYPES, 2011

Area	Separate house	Attached dwelling	Other
Gosford	74.9%	23.7%	1.4%
Wyong	81.5%	16.9%	1.6%
NSW	69.5%	29.5%	1.0%

Source: ABS (2011). 'Attached dwelling' includes flats and townhouses

'Other' dwelling types are significant in some coastal areas, mainly in the form of residential parks (caravans and mobile homes). Traditionally these parks have been significant sources of lower cost housing. However, many residents are vulnerable and a number of these sites are being re-developed for up-scale coastal

homes for higher income families.

HOUSING SUPPLY

One of the main drivers reducing the affordability of housing has been the failure of housing supply to keep pace with housing demand. Government policy has been addressing these challenges through increasing land supply, for example through the recent North Wyong Shire Structure Plan.

The 2008 Central Coast Regional strategy aimed for 30% of new development to be in greenfield areas, and recent figures suggest current developments are 25% in greenfield locations. However, there may be challenges in that most demand for new properties is in greenfield areas whereas the proposed supply is mainly to be in urban infill locations.

Affordable housing developers such as Pacific Link may be able to address market issues. For example, lower cost higher density infill development may be well suited to community housing rental properties. These new homes would be better located relative to public transport and employment opportunities.

LIFESTYLE MIGRATION

The Discussion Paper highlights the issues with unoccupied second homes on the Central Coast. Vacancy rates were a third higher in the region compared with averages for NSW. This can be attributed to the lifestyle qualities of the Central Coast making it attractive to 'sea change' and 'tree change' households.

Based on analysis prepared for Pacific Link, we believe the issues of lifestyle migration may be having a greater impact than suggested by the Discussion Paper. Table 2 shows the numbers of all dwellings compared to the number of occupied dwellings from the 2011 Census.

There has been an increase in the numbers of dwellings in the Central Coast between 2001 and 2011, though a clear slowing in construction between 2006 and 2011. However, there has been a far more modest increase in the numbers of occupied dwellings over the same period. The proportion of unoccupied properties has been increasing sharply, in both LGAs, in particular since 2006.

TABLE 2: OCCUPATION LEVELS, 2011

	All dwellings	Occupied dwellings	% not occupied
Gosford LGA			
2011	73,715	61,296	16.9%
2006	71,803	61,946	13.7%
2001	68,535	59,868	12.7%
Wyong LGA			
2011	65,590	55,090	16.0%
2006	62,435	54,095	13.4%
2001	57,916	50,824	12.3%

Source: ABS (2011)

In Gosford LGA between 2006 and 2001 the number of dwellings increased by 1,912 though the actual numbers that were occupied fell by 650. This represents a double failure of the housing market, in terms of both poor levels of supply and usage of what limited supply existed for secondary and holiday homes.

Lifestyle considerations are unlikely to change over the next 20 years. The Central Coast will remain an attractive destination, and relatively affordable compared to many parts of Sydney. If the proportion of secondary homes remains stable, or increases, a significant portion of the proposed new housing supply will not address latent housing demand.

1.3 PROPERTY TENURE

Table 3 shows housing tenure as at 2011. Owner occupation levels are high across the study area and levels of outright ownership are also high. The proportion of home buyers with a mortgage has risen over the last 5 years in areas where there has been significant new development.

TABLE 3: HOUSING TENURE, 2011

	Owner occupied	Social rental	Private rental
Gosford	74.3%	3.1%	22.6%
Wyong	70.9%	3.1%	26.0%
NSW	70.7%	4.4%	24.9%

Source: ABS (2011)

The Central Coast needs a sustainable mix of properties of differing tenures. Without sufficient lower cost tenures, especially affordable rental housing, there will be problems in housing modestly paid employees that will be key to generating economic wealth by local businesses.

SOCIAL RENTAL HOUSING

The proportion of social rental housing (which includes public and community housing) is significantly below the NSW averages in the Central Coast. Private rental supply is also relatively low in Gosford LGA due to the higher regional rates of home ownership.

Table 4 shows the numbers of social housing properties in the two Central Coast LGAs. In both areas the greatest supply is of three bedroom properties. By contrast, between 70% and 80% of social housing demand in Gosford and Wyong is for one and two bedroomed properties.

TABLE 4: SOCIAL HOUSING, JUNE 2014

Type	Gosford		Wyong	
	Number	Wait	Number	Wait
0/1 beds	789	10+	617	5-10
2 bed	749	10+	643	10+
3 bed	932	10+	842	10+
4+ beds	187	10+	191	10+
Total	2,657		2,293	

Source: FACS website, consulted 4 November 2014

Social housing availability is particularly poor in the Central Coast. The predicted waiting time for social housing is in excess of 10 years for most house types, and for all housing types in Gosford LGA.

A significant proportion of social housing lettings are made to priority applicants. In 2011, 4,599 of 11,276 new lettings were to priority households. Particularly high priority is given to people with a disability, or those who are homeless or threatened with homelessness. Lower paid workers are generally not accommodated in social housing, and could be on the waiting list for considerable periods of time.

Public housing in the Central Coast varies in terms of stock quality, and location relative to sources of employment. In Gosford LGA there are several areas of higher concentration of social housing, including Dunbar Way (see Section 2).

HOMELESSNESS

Lack of social housing on the Central Coast has led to significant levels of homelessness, as shown in Table 5. There is a need to find suitable accommodation for these people, and to address a further growth in homelessness that might accompany the likely large increase in the Central Coast population.

TABLE 5: HOMELESSNESS 2011

	Homeless persons No.	Severely over-crowded No.	Marginally housed in caravan parks No.
Gosford	404	171	33
Wyong	364	207	274

Source: ABS (2011). 'Homeless' includes those in emergency accommodation, boarding houses and staying with friends with no tenure security

There are high numbers of people living in caravan parks in Wyong LGA. Improved infrastructure may make these locations more desirable for holiday homes, and loss of caravan park affordable accommodation over the next 20 years will increase the demand for homeless shelters and transitional housing.

1.4 HOUSING AFFORDABILITY

'Housing affordability' is normally measured as a relationship between household income and expenditure on housing costs. It can apply to all households, whether they are purchasing a property via a mortgage or renting from a landlord. As noted in the Discussion Paper, housing affordability has deteriorated on the Central Coast in part through a lack of housing supply.

HOUSING STRESS

Around one in six Australian households pay over 30% of income on housing costs, and are defined as being in 'stress'. Of households in the lowest 40% of income bands, over a quarter are in stress. The lowest income households are concentrated in the private rental sector, where a majority face housing stress.

Measured by comparing average income to average house purchase prices, Australia is less affordable than the US, UK, Canada, Ireland or Singapore (Demographia, 2014). Sydney is the fourth least affordable market in the world.

REGIONAL ISSUES

The Central Coast shares many affordability issues with other parts of Australia. However, there are a number of important and distinct regional issues.

People in professional and managerial occupations are under-represented in the Central Coast, and the levels for Gosford LGA shown in Table 6 are probably boosted by commuters travelling to work in Sydney or North Ryde. Wyong LGA has a lower proportion of managerial staff, and a higher level of manufacturing and other lower paid forms of employment.

TABLE 6: OCCUPATION SAMPLE, 2011

	Professionals	Labourers
Gosford	21.4	8.9
Wyong	14.5	12.3
NSW	23.2	8.9

Source: ABS (2011). Selected occupations only. Percentage of all employed adults

Table 7 shows weekly incomes across the Central Coast in 2006 and 2011. In each period, both Gosford and Wyong LGAs

TABLE 7: WEEKLY HOUSEHOLD INCOME, 2006-11

	2006	2011
Gosford	\$943	\$1,089
Wyong	\$769	\$934
Metro Sydney	\$1,154	\$1,447
NSW	\$1,034	\$1,237

Source: ABS (2011). Median income

Between 2006 and 2011 median household incomes increased by 25% in metropolitan Sydney. By contrast the rise was only 15% in Gosford LGA and 21% in Wyong LGA. The income gap between the Central Coast and the metropolitan core is therefore both high and increasing.

Much of the Central Coast has become a popular commuting location, with new residents attracted by relatively affordable prices compared with the metropolitan core. This leads to a disparity in property purchasing power between Central Coast residents working in Sydney, with higher wages, and those working locally.

REGIONAL HOUSING COSTS

Price trends since 2012 in property rental costs in the study area are

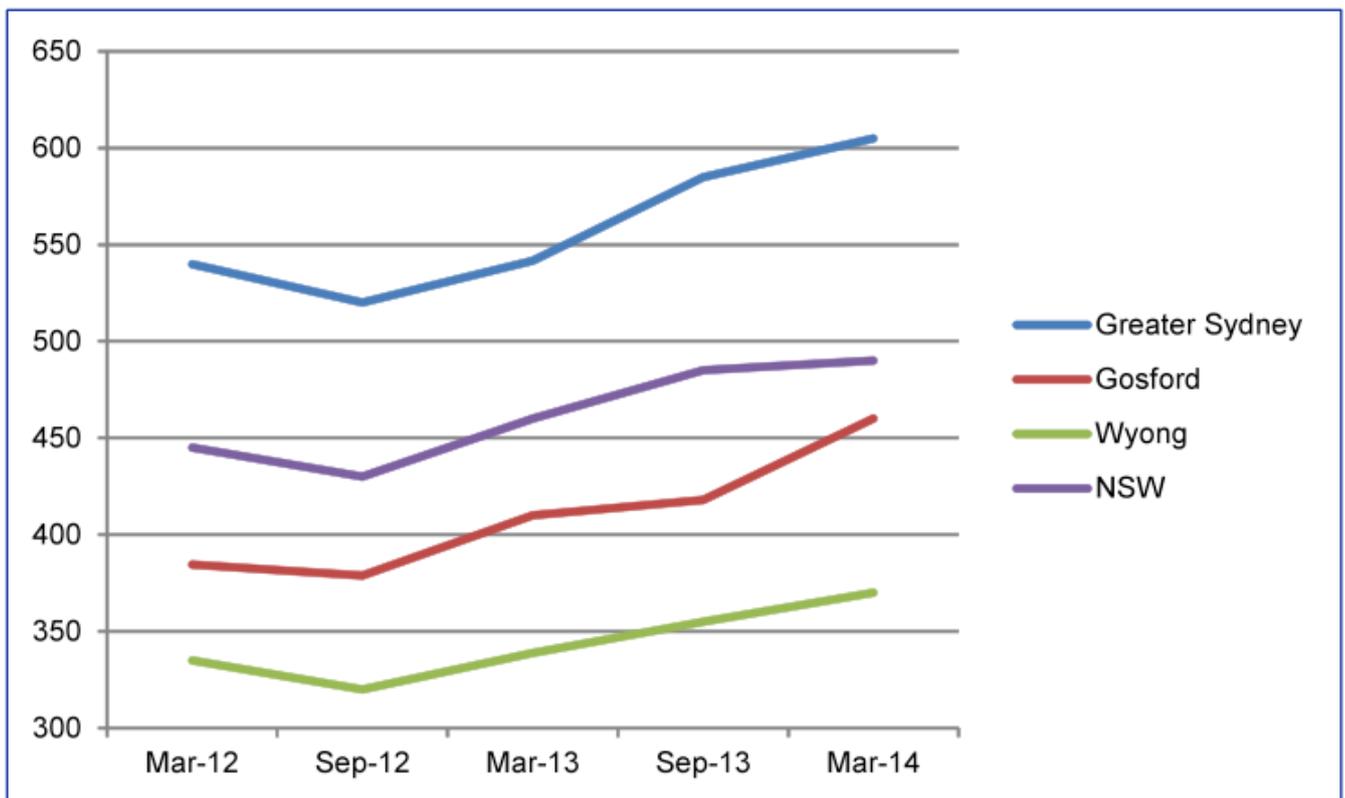


FIGURE 1: PROPERTY RENTAL COSTS, \$ PER WEEK, 2012-14

shown in Figure 1. Rents in the Central Coast and are somewhat lower than NSW averages though the gap has been narrowing.

Between March 2012 and March 2014 rents increased by 19.6% in Gosford LGA and 10.4% in Wyong LGA - both in excess of the average for NSW (10.1%). Rent rises in Gosford over this period are nearly 50% more than the rent rises in Greater Sydney (12.0%).

Gosford's living costs are converging with Sydney's, though there remains a large and growing gap between the two in terms of incomes, as shown in Table 7.

There are many districts in the Central Coast where social disadvantage is in the top 40% of all districts across Australia. They are concentrated in and around the urban centres of Woy Woy, Gosford and Wyong. Areas around Wyong and The Entrance are amongst the 10% most disadvantaged areas in the country.

Figure 2 indicates that housing sales prices have not seen the same rate of increase as rents in the period since 2012. However, as with rents, the data suggests there are different trends in Gosford LGA. Sales prices increased by 8.7% in Gosford from 2012-14, higher than the increase seen in both Greater Sydney (6.7%) and across NSW (6.4%).

Currently Wyong LGA has more modest priced properties in the region (80% of Gosford levels). However, this needs to be interpreted against relative income levels, with Wyong incomes at 85% of levels seen in Gosford LGA. Neither LGA has housing that is affordable relative to local household incomes.

REGIONAL RENTAL AFFORDABILITY

The previous tables and figures show that both household incomes and household expenditure on housing costs are lower in the Central Coast than for NSW. Measures of 'housing stress' combine these variables to show whether housing costs represent an unaffordable proportion of a household's income.

As is shown in Table 8, housing stress levels in the region among renters are very high, with similar levels for both Gosford and Wyong LGAs. Around nine out of every ten very low income earners were in housing stress in 2011, and over half of low income earners were also in stress (paying more than 30% of income on housing costs). Even moderate income households face problems.

TABLE 8: RENTERS IN HOUSING STRESS, 2011

Area	Very Low Incomes	Low Incomes	Moderate Incomes
Gosford	93%	61%	25%
Wyong	91%	53%	20%

Source: Centre for Affordable Housing. Income bands are compared to median: 'Very low' (<50%); 'Low' (50%-80%) and 'Moderate' (80-120%). Data as at June 2014

An alternative view of affordability can be found by examining the percentage of an area's housing stock that is affordable to different income bands (Table 9). Data for this measure reinforces the previous finding that only a very small proportion of private rental

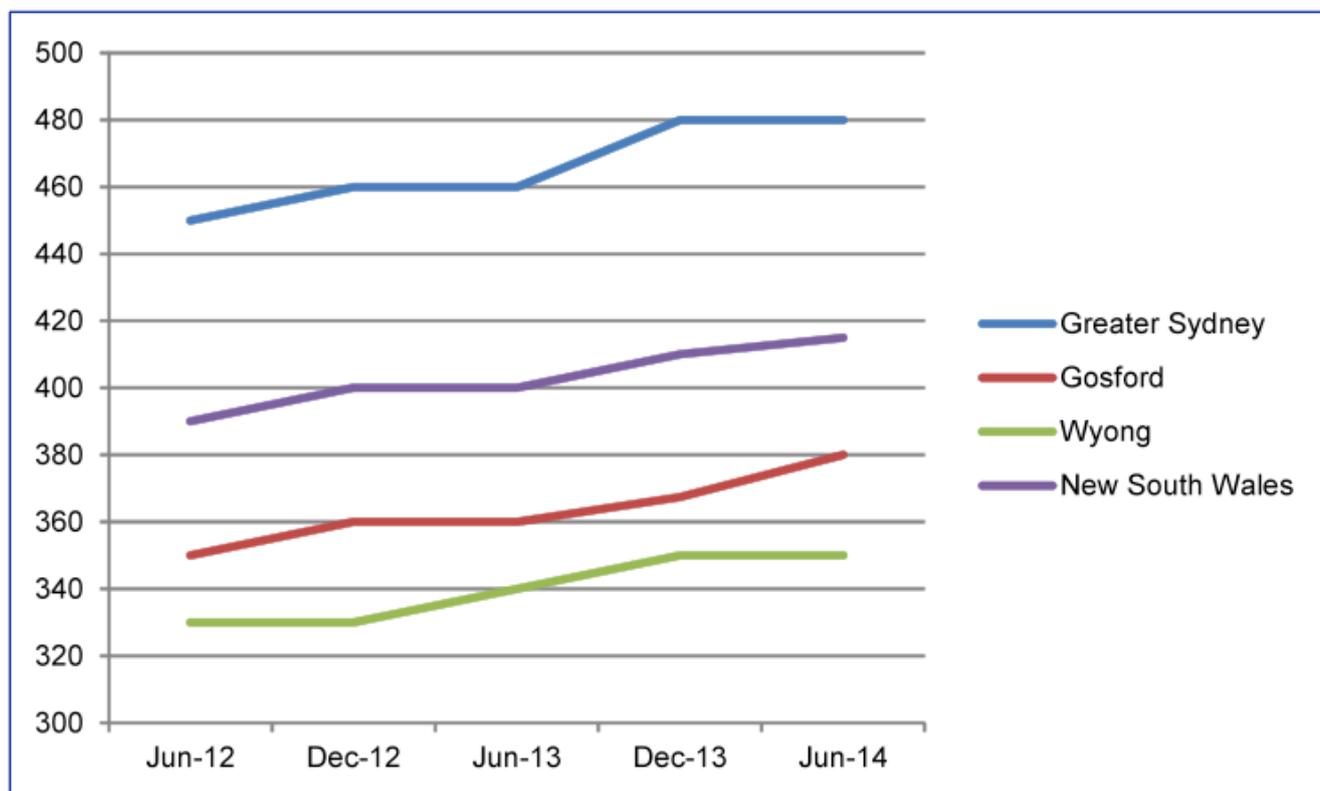


FIGURE 2: PROPERTY SALES PRICES, \$000S, 2012-14

Source: Rent and sales report no.108, June 2014

housing is affordable to Central Coast households with very low and low incomes.

TABLE 9: AFFORDABLE RENTAL STOCK, 2014

Area	Very Low Incomes -affordable % rental stock	Low Incomes - affordable % rental stock	Moderate Incomes - affordable % rental stock
Gosford	9.1%	32.8%	83.8%
Wyong	10.9%	45.1%	90.3%

See notes to Table 8

Housing stress affects the lowest income households most severely. From Table 9, households with incomes below 50% of the median can afford less than 10% of the available private rental housing.

REGIONAL PURCHASE AFFORDABILITY

A similar picture to rental affordability is shown in Table 10 which shows housing stress among purchasers. 'Mortgage stress' is more evenly distributed across the income bands than 'rental stress', though figures remain high - even for moderate income households.

TABLE 10: PURCHASERS IN HOUSING STRESS, 2011

Area	Very Low Incomes	Low Incomes	Moderate Incomes
Gosford	69%	54%	36%
Wyong	67%	51%	31%

See notes to Table 8

Table 11 shows the proportion of dwellings that are affordable to purchase by lower income households. Very low income households (i.e. income 50% of the LGA median or less) are locked out of Central Coast home ownership, as are most households with income closer to the median. Affordability for moderate income households is noticeably better in Wyong than Gosford LGA, though still low given these are households earning up to 120% of the median income.

TABLE 11: AFFORDABLE PURCHASE STOCK, 2014

Area	Very Low Incomes -affordable % rental stock	Low Incomes - affordable % rental stock	Moderate Incomes - affordable % rental stock
Gosford	0.0%	2.6%	36.8%
Wyong	0.0%	14.5%	67.1%

See notes to Table 8

AFFORDABILITY OVERVIEW

It remains almost impossible for very low and low income households to buy a home in the Central Coast unless they have access to additional funds such as financial contributions from parents. These households are usually limited to private rental. Even for moderate income households, there are limited options.

Within the region, patterns of housing stress are not uniform. Housing stress in Gosford LGA is greatest in the areas around Gosford City and around Ettalong Beach, and in the coastal suburbs from Avoca Beach to Terrigal.

In Wyong LGA housing stress is greatest around the shores of Lake Tuggerah and up to Gwandalan. However, there are a number of sparsely populated coastal districts where housing stress is low.

1.5 SOCIAL DISADVANTAGE

As with housing affordability, social and economic disadvantage is not spread evenly across the Central Coast.

A widely used measure of disadvantage is the ABS SEIFA (Socio Economic Index for Areas) data. The most recent version was published in 2013, and is shown for the study area in Figure 3. The index measures relative disadvantage based on income, educational attainment, housing quality, unemployment and other factors. The lower the SEIFA score, the greater the disadvantage.

Disadvantaged neighbourhoods in many but not all cases contain high concentrations of public housing. They require high expenditure on Government services. Such areas also act as a brake on greater private sector investment that would create jobs, and restrict the development of new housing projects.

There are a number of social issues facing the Central Coast which are linked with the housing affordability challenge:

- Recent population increases have challenged existing human services both in sheer demand for service, as well as the variety and complexity of services needed. This will take a large investment to resolve.
- Population growth has not always been accompanied by a similar rise in the number of local jobs. Fast growing areas in the Central Coast act in part as dormitory outer suburbs for workers employed outside the region.
- Some parts of the region are characterised by smaller towns and villages with poor public transport links. Lower income groups living in areas of high social disadvantage may not be able to easily and affordably travel to parts of the region where new jobs are being created.
- Sea and tree change migrants, and others buying second homes in the region, generally tend to buy existing properties. Existing residents may be displaced over time.
- Some social housing in the region was located to serve traditional industries. As these have declined, the housing has become relatively isolated from employment.
- Over recent years, the proportion of social housing residents in the workforce has diminished. Most new applicants have complex needs rather than simply being in a low income

group, making tenancy management more challenging and costly.

The issue of social disadvantage is particularly important to community housing providers as they act as 'community anchors' in the areas in which they operate. They help develop a coordinated locally-relevant response to social and economic issues.

Pacific Link has procedures to help tenants with complex needs, through their own staff, often working in partnership with local and regional not-for-profit social service providers. This has led to strong networks of support being built in region, helping build community cohesion.

As will be described in more detail in Section 2 of this Submission, Pacific Link has also started work on addressing problems in a problematic social housing estate at Dunbar Way, Gosford.

1.6 SECTION CONCLUSIONS

Population on the Central Coast has grown rapidly, and Government forecasts indicate this trend is likely to continue. This will put increasing pressure on local housing markets (both for sale and rental), with lower income and disadvantaged groups particularly vulnerable.

The composition of the population continues to change. The proportion of older people is growing each year, and this trend is particularly notable in areas of the Central Coast which are favoured by retirees. The make-up of the housing stock is not matching these changing demographics, with most new homes having between three and five bedrooms.

Much of the Central Coast's affordable housing is not well located for lower income households. Older stock, including much social housing, was often built in areas containing manufacturing industries where employment opportunities have since declined. Much new housing is built in areas with few facilities, and limited public transit.

There is particular pressure in the study area on private rental markets, and rents have continued to rise over the last few years and at a higher rate than sales prices. As a result, affordability problems for lower income households who are not eligible for social housing are severe.

In the Central Coast one of the main driver of affordability problems is lower incomes. Although purchase prices are below Sydney levels only around 10% of households earning up to 80% of local salaries can afford to buy. Furthermore, the 2011 Census indicates regional salaries are rising more slowly than Sydney.

The greatest 'housing stress' is currently faced by very low income renters. Particularly vulnerable are older people, those relying on government benefits and others with fixed incomes. In 2014 households earning less than 50% of the area's median income could afford only around one in ten local rental properties

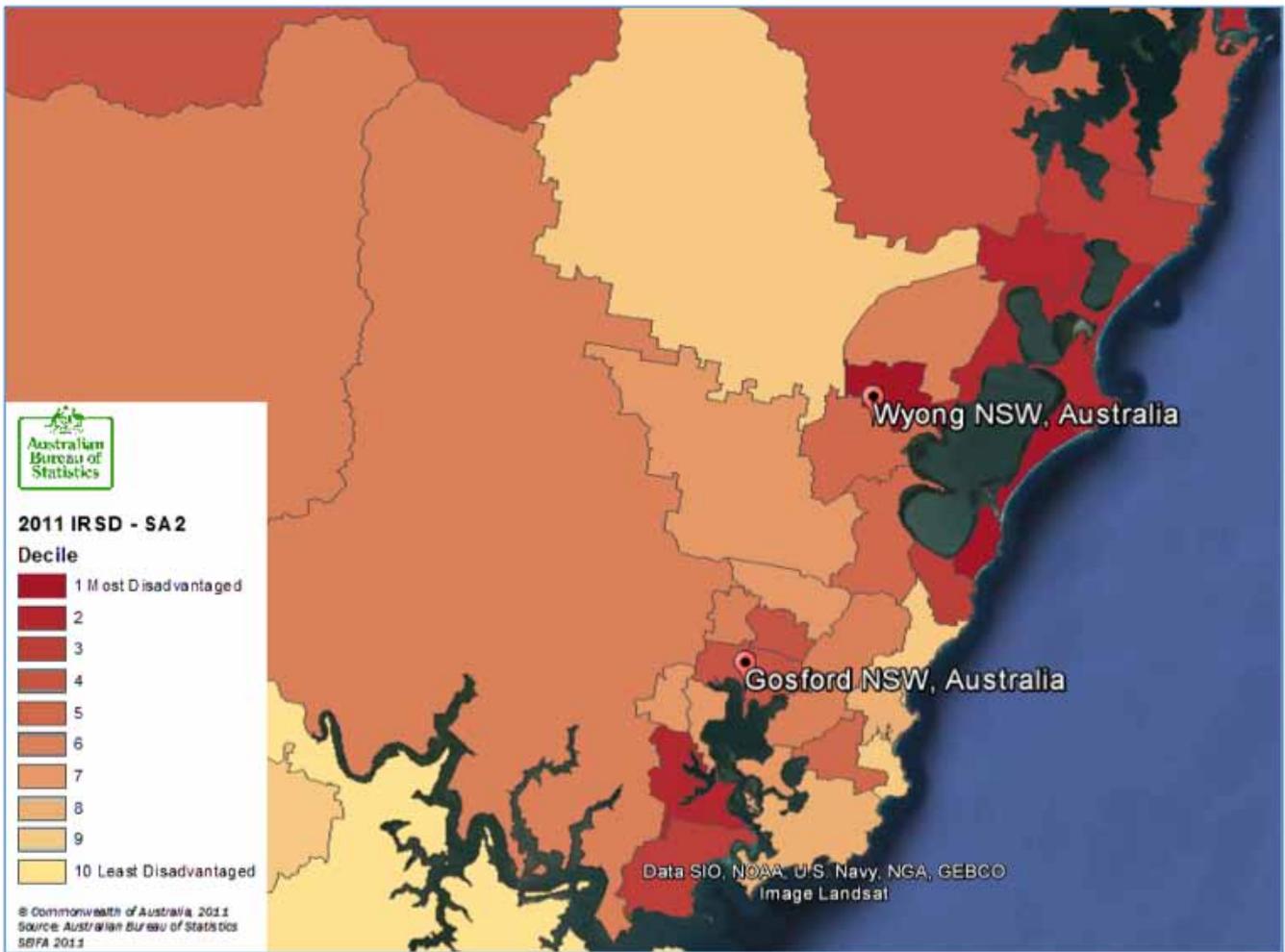


FIGURE 3: DISADVANTAGE ON THE CENTRAL COAST, 2011 Source: ABS (2011). Modelled by the author using Google Earth

2 DELIVERING SUSTAINABLE COMMUNITIES

Pacific Link is a social enterprise, working on the Central Coast to better manage social housing on behalf of Government. While delivering quality tenancy management services, Pacific Link works efficiently and effectively in helping achieve a variety of the goals of the '2021' strategy to help make NSW number one.

2.1 CONTEMPORARY COMMUNITY HOUSING

'Community housing' is affordable rental housing provided by not-for-profit organisations at below market rent to low to moderate income tenants.

Community housing forms an integral part of Australia's housing system by providing housing options that are reasonably priced, secure and responsive to the differing needs of the local neighbourhoods.

In NSW around 20% of social housing is managed within the sector, and is more financially sustainable for NSW Government than public housing through the receipt of Commonwealth Rent Assistance (CRA). CRA is available to community housing providers but not to the public sector.

Contemporary community housing organisations are run by professional managers, and supervised by skilled Boards of Directors who have solid private sector experience. They are accountable to tenants, the community and government for the effectiveness of the service provided and their use of public funds. Each year they are independently audited, and produce accounts to the exacting requirements of ASIC.

Unlike larger and centrally controlled public housing agencies, community housing providers are more locally responsive. They work closely with local service agencies and not-for-profit partners, building social cohesion in what were once concentrated areas of social and economic disadvantage. This is particularly important in regions such as the Central Coast where neighbourhood issues are important and a 'one size fits all' approach does not work.

Community housing providers identify local issues and develop a range of solutions to deliver tangible benefits for their tenants. They are flexible, yet determined to provide quality tenancy and asset management. Through effective management, close control is maintained over costs, and opportunities are regularly taken to diversify income sources beyond State Government subsidies.

SUSTAINABLE AFFORDABLE HOUSING GROWTH

State Housing Authorities have suffered over decades from restricted Commonwealth finance, and struggled to develop new housing stock or conduct necessary property maintenance. As large bureaucracies, they have become increasingly inefficient and not able to keep pace with the level of innovation in the community housing sector.

State Government's social housing portfolio has remained largely static for the last decade, and has failed to keep pace with growth in the state's population. Waiting lists are long and housing conditions deteriorating. In the larger public housing estates in areas such as the Central Coast, State Government expenditure on property repairs, community services and policing have escalated.

By contrast, community housing organisations can grow their property portfolios. This can be achieved by offering a range of rent settings which are typically up to 75% of market rents. Stronger cash flows are used to raise bank finance, secured against the property asset. Loans then fund new property construction.

Community housing providers also have the ability to receive philanthropic donations, either of land or of reduced prices for development work. Many work closely with local councils who are keen to promote a new supply of affordable housing, such as with Pacific Link's partnering with Wyong Council.

BUILDING STRONG COMMUNITIES

Although community housing's core business of providing affordable rental accommodation reduces social exclusion, many organisations go further. They work closely with other not-for-profit organisations and government agencies to help tenants build skills, find work and stabilise their family situation.

Community housing providers also invest in transforming large, single tenure public housing estates using partnerships across the public, private and not-for-profit sectors. Transforming estates is particularly important in the Central Coast where there are a number of concentrated areas of public housing. Often these areas can limit the inflows of new private sector investment, in addition to becoming incubators of social issues.

2.2 INTRODUCING PACIFIC LINK

Pacific Link is a large community housing provider that has been operating in the Central Coast since 1984. We are a multi-award

BOX 1: PACIFIC LINK STRENGTHENING CENTRAL COAST NEIGHBOURHOODS

Pacific Link has received the backing of NSW Government and is now working on the regeneration of the Dunbar Way public housing estate, North Gosford. There is evidence from the Census that the Dunbar Way neighbourhood is deprived, and isolated from activities in Gosford. Just under one third of households have no access to a car, twice the level for Gosford Council.

We are leading the following initiatives:

- Forming a strong partnership with key stakeholders: NSW Government, Gosford City Council, Coast Shelter, the police and other stakeholders
- Investing in Estate improvement measures such as improved lighting, security through a CCTV system, communal garden, a park and a children's play area
- Investing in improving the appearance of properties and gardens on the Estate through minor repairs, painting and landscaping
- Promoting the expansion of the Community Centre, through working with service provision partners to ensure there is a good presence of staff on site
- Promoting new projects to improve social cohesion on the site and life skills of the tenants, for example assisting tenants find work or training, or gain access to the internet
- Establishing a local community transport shuttle for the clients of the Estate

NSW Government is transferring management of additional properties on the Estate so that we can exercise more control over tenant activity and property condition of the complete Estate.

The funding for the initiative comes from Pacific Link resources, grants and co-contributions from our partners. Our approach follows international best practice, though will be a pioneering project for Australia as it is based on a small area, and led by a community housing provider.

winning Tier One provider under the National Regulatory System, and an Accredited Community Housing Organisation under the National Community Housing Standards.

Pacific Link employs 23 staff, works collaboratively with more than 20 support partners, and manages around 1,000 properties accommodating 2,000 people. In the year to 30 June 2014 we achieved a surplus of \$1.7 million on an annual income of \$12.3 million, and our accumulated surplus stood at \$10.7 million at year-end.

Pacific Link provides special purpose housing in thirty diverse housing programs which include mental health, sole parents, young people and students, the aged, recovering substance users, aboriginal families, families exiting refuge accommodation, exiting custodial institutions, households with persons with a disability and refugee families.

2.3 WORKING FOR THE CENTRAL COAST

Pacific Link is more than just provider of social housing. While we certainly have a strong focus on ensuring tenants meet their lease obligations, we engage our tenants and encourage improvement in their physical and mental wellbeing to ensure they have a bright future. Pacific Link is committed to developing liveable communities and building skills and capacity through tenant participation.

BUILDING SOCIAL COHESION

Through our work in building community cohesion, Pacific Link helps NSW Government address a variety of social and economic issues. Stable communities need lower investment in policing, property repair expenditure and social services. There are also greater opportunities to attract private sector investment in new residential development, and businesses able to benefit from a stable local workforce.

Pacific Link seeks to change the traditional perception of community housing as a permanent solution and plan to take a leading role in promoting tenants to transition through, and exit, social housing.

This is essential to allow for the re-allocation of existing housing stock, with tenants who are able to leave the public sector moving on to make space available for new arrivals in more urgent need.

To generate this change and as part of our support of liveable communities, Pacific Link provide a broad range of tenant support programs including:

- Learner drivers program. This helps young tenants seeking a driver licence by providing information packs and paying for professional driving lessons in the first and last 20 hours of their training. Introduced in 2012, the program is open to



Pacific Link tenants and dependants in good standing between 16 and 19 years.

- Sheila Astolfi education scholarships. Named in honour of our first CEO, the scholarships are open to all tenants enrolled at school or in tertiary studies. Last year more than 20 recipients, ranging in age from primary school to mature age students received assistance from the scheme, which is designed to help recipients achieve their immediate educational objectives and continue towards life-long learning.
- Laptop loan/purchase program. To help tenants stay in touch and access jobs and many other services now provided principally on-line, Pacific Link introduced a low cost loan/purchase program to give tenants in good standing access to laptop computers and online communications.
- Sports, health, wellbeing and education program. We have developed a scholarship program to help tenants and dependents improve their health, fitness and wellbeing at the time, and have now assisted many to take part. By encouraging participation, Pacific Link also aims to help tenants and their children build new, enduring friendships of the kind so commonly formed through weekend sport and similar activities.
- Tenant training and employment. Last year we began a program with JobQuest to offer training in property maintenance through work programs. The JobQuest program provides - following a probationary period - for award-wage training leading to a Certificate 3 qualification.
- Tenant Action Group excursions. Staying connected is important to the welfare of people who may otherwise come to believe that they have few opportunities. Pacific Link's tenant action group plays a part in preventing this by providing day trips for tenants and their children to places of interest.

DELIVERING NEW HOUSING

Over recent years, Pacific Link has benefited from new leadership and the introduction of private sector management models. These are essential steps that have led to improved tenant services and financial stability including financial surpluses for re-investment in the sector.

Today, Pacific Link rents or provides one additional community housing property for every two supplied by government. This is a major contribution by a not-for-profit that boosts supply by a third in a region where the number of community housing homes falls well short of State-wide averages.

In 2014 we entered into a co-operative agreement with Evolve Housing from Western Sydney. This allows us to compete for housing delivery projects through a newly formed project management group, Evolve Pacific Developments.

This initiative was well received by Government, and rewarded through winning a competitive tender for three studio apartment projects. Pacific Link and Evolve Housing are investors, developers and long-term future managers.

2.4 SECTION CONCLUSIONS

The Central Coast faces issues with both delivering additional affordable housing, as well as integrating current pockets of social and economic disadvantage. These are both areas where Pacific Link has demonstrated experience in the region.

Community housing providers such as Pacific Link are key partners in delivering government policies. In the Central Coast, we are able to both advise on and help implement the Regional Growth and Infrastructure Plan. In particular we can act as a bridge between the public and private sectors, promoting the strong partnerships that are key to achieving successful delivery and outcomes.

3 DISCUSSION PAPER RESPONSES

Pacific Link Housing supports NSW Government's move to a more integrated regional approach to population growth, housing supply and infrastructure delivery.

This Section makes specific and detailed recommendations on ways we believe better outcomes can be delivered for the Central Coast over the next twenty years.

Pacific Link has been providing affordable housing and helping support challenged communities in the Central Coast for three decades. We therefore concentrate in this submission on those areas we have most experience of. Reference numbers relate to the 26 response categories.

3.1 REGIONAL PLANNING

Do you agree with the principles established for the preparation of the Regional Growth and Infrastructure Plan and should there be any others? - ref. 1

The Discussion Paper identifies a number of principles (p.19) that guide the NSW Government's approach to strategic planning for the Central Coast. We are pleased to note that the first and we think most important principle is 'securing the delivery of more housing, greater choice and more affordable housing options in line with market demand'.

With this principle, we raise issues about the phrase 'in line with market demand'. Although the private sector will be mainly responsible for delivering housing, we need to use the planning system and financial inducements/penalties to try and tailor housing supply so that it is appropriate in location and design, and sustainable in the longer term.

Greatest market demand at present is for larger, more expensive detached homes on greenfield sites. However, more sustainable options need to include urban infill, more modest sized dwellings and attached homes and apartments.

Housing delivery on the Central Coast over the last two decades has been, in the main part, a demonstration of market failure. Intervention will be needed in the future to prevent a repeat of these mistakes. 'Market demand' will need to be taken into account, but should not form the driving principle of regional planning.

3.2 HOUSING TYPES NEEDED

What sort of housing will best suit your current and future needs and why? - ref. 2

The first suggested principle in the Discussion Paper calls for 'greater choice' in Central Coast housing. As has been noted in Section 1 of this Submission, there are limited housing options in the Central Coast both in terms of types of properties, and housing tenure.

THE HOUSING CONTINUUM

Governments have sometimes considered different housing types in isolation. However, the housing system is inter-connected. Housing options range from heavily subsidised emergency accommodation to social and affordable rental (as provided by Pacific Link) and private rental and ownership - Figure 4.

A well-functioning housing continuum will have enough homes at all points to meet demand. More importantly, it allows transition between housing options as the need arises. As households progress to the right along the continuum, the level of public subsidy reduces.

Past policy failures have led to breaks in the continuum on the Central Coast. Many social housing residents are in a poverty trap, and cannot move to employment opportunities and private rental as prices are too high and eligibility or rent policies present disincentives.

Similarly, many middle income households are remaining in private rental housing in housing stress as they cannot afford to buy. As rental prices rise, many modestly paid key workers are pushed to locations away from where they work.

The Central Coast Plan needs to address all housing tenures along the housing continuum, and make it easier for transitions to be made. Many of the options in the middle of the continuum are increasingly provided by community housing providers such as Pacific Link.

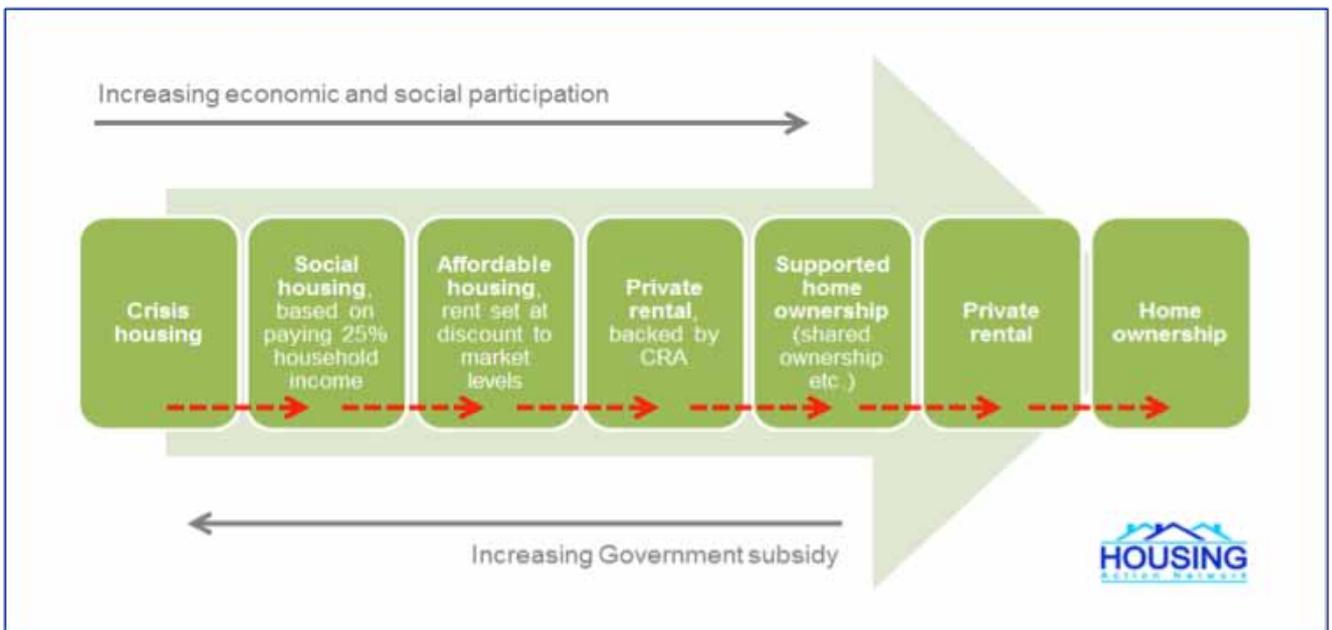


FIGURE 4: THE HOUSING CONTINUUM

HOUSING DIVERSITY

The Grattan Institute in 2011 found that ‘contrary to myth and assumptions, Australians want a mixture of housing choices’ - not just a detached house on a large block. There is a growing trend for people wanting to live in townhouses or in apartments in locations that are close to family, friends or shops.

We believe the housing people would choose is much more diverse than what the Central Coast’s housing currently provides. Existing housing is dominated by detached two and three bedroom houses and little has changed over the last few decades.

More diverse housing options include:

- Duplexes and townhouses.
- Multi-unit: several houses on a consolidated lot with shared areas for parking and services.
- Shop-top housing.
- Secondary dwellings/granny flats.
- ‘New generation’ boarding houses: larger self-contained studio units.
- Shared living arrangements: 3-4 people in a single house. Can be suited for older people, or people with a disability.

Diversity can also apply to the following:

- Numbers of bedrooms.
- Ability to modify the house according to need, for example change the use of rooms in a house.
- Accessible and adaptable properties for people with disability.
- Housing tenure, including the potential for new options in NSW such as shared equity and shared ownership.
- Self-build options, and Community Land Trusts.

To achieve greater diversity, specific action is required by Government. Otherwise the market is unlikely to deliver. We suggest the following options:

- Careful drafting of LEPs, including a potential review of current documents used by Gosford and Wyong councils.
- Planning incentives. There are some useful options in the Affordable Rental Housing SEPP.
- Support for demonstration projects, showing that alternative built forms work well in practice.
- Funding for design competitions, showcasing best practice.
- State or local government providing land and/or favourable planning bonuses for demonstration projects.

Much of the recent innovation in built form, including the delivery of a broader range of housing types, has been by not-for-profit organisations. Tier One community housing providers such as Pacific Link have in-house development skills and can take the lead in delivering housing diversity on the Central Coast.

SETTING TARGETS

Housing targets in the Central Coast Plan need to address more than numbers of additional dwellings. Types of dwelling, cost, tenure and localities also need to be addressed. In particular, it is important to recognise that housing targets should reflect the needs of all sections of the community regardless of income level.

Demands for new housing for sale in growing commuter and lifestyle coastal locations are only one aspect of this picture. Other locations, especially in established areas, have pressing needs for housing renewal, improved diversity of housing forms, and a wider range of prices and tenures.



We therefore believe that housing targets should be set within the context of sub-LGA level Housing Strategies that take an integrated view of housing needs and demands and that identify a range of strategies to meet these. Strategies that rely on land release alone (or land release accompanied by piecemeal infill) are not adequate to ensure appropriate diversity of dwelling types, costs and tenure.

One particular need in many areas is for smaller homes suitable for small households, including single people and older people. These needs are sometimes overlooked in new housing developments.

SPATIAL PLANNING

Government will be under pressure to deliver ambitious housing supply targets in the Central Coast. It is important that careful consideration is given to the location and mix of new housing, not just the volume of housing delivered.

Principles of creating mixed, sustainable communities are well known, though have often been overlooked in the past. This has resulted in isolation and disadvantage for many households with low incomes or particular needs.

There has been a tendency to concentrate social housing tenants in estates and run-down areas that have poor transport links, and little access to employment and services. If these tenants are to participate fully in the community, we need an integrated approach to development.

This approach should include strategies to ensure housing choices (including costs, style of housing, size and location) that are suitable and affordable for lower and moderate income households and those with particular needs, including older people and people with disabilities.

Communities work best where there is a mix of housing tenures, and where properties cannot be visually identified as 'public' or 'private'. New social and affordable housing needs to be dispersed

within new housing developments, rather than concentrated and placed in locations where market sales are less likely.

Spatial planning needs to work at regional, sub-regional and neighbourhood levels. The Central Coast Plan therefore needs to make explicit the need for, and benefits of, tenure mix.

PROMOTING HIGHER DENSITY HOUSING

We support the use of density requirements to promote the efficient use of land, in high-cost and high-accessibility locations. This can only occur in the context of good strategic planning. Housing density has not been mentioned in the Discussion Paper, though needs to be part of the Central Coast Plan.

In many cases, it is easier and cheaper to provide affordable rental housing in higher density locations than elsewhere. This is as a result of lower costs per unit and wider dwelling mix. In addition, highly accessible locations with a good choice of housing are often well served by transport and facilities and therefore meet the needs of lower income residents.

Density requirements can also be expected to ensure that the needs of a range of households are met, including those seeking small units or apartments.

GREENFIELD AND BROWNFIELD SITES

We support the continuation of significant emphasis on development in existing urban areas. From the viewpoint of lower income residents, including community housing tenants, established areas often provide better access to public transport, which many households rely upon.

Proximity to services, facilities, education and employment, supported by good public transport options and walkable neighbourhoods, allow tenants to participate fully in society as well as promoting quality of life. It also allows residents to interact with and connect with their communities, particularly through work and recreation.

3.3 CENTRE RENEWAL

How can Government support renewal of centres and what types of housing is best suited to these areas? – ref.3

A suggested planning principle we strongly support is the creation of sustainable centres that can provide for the needs of the Central Coast population - including our tenants - for housing, facilities and services.

Attention needs to be paid to integrating land use planning with housing, transport, infrastructure and services in centres. These need to be brought together into a single over-arching planning document for each major and secondary centre with clear funding, roles and responsibilities.

Many existing Central Coast centres, including Gosford and Wyong, will need to be supported with appropriate services and infrastructure. There are opportunities to significantly increase the residential populations of regional towns and cities, leading to greater sustainability for local businesses that are likely to provide many of the required new jobs in the region.

Many of the built form innovations detailed in Section 3.2 are applicable to centre renewal - for example shop-top housing and higher density dwellings. Affordable housing in centres provides a supply of lower income employees who can help support the hospitality and retail sectors. They also provide customers for the local shops, and increase the vibrancy and feeling of security of centres.

It can sometimes be hard to develop a residential housing market in declining centres. Community housing providers can help, delivering the first batch of new housing. Once the neighbourhood quality starts to improve, private developers are more likely to invest. This approach was used successfully at Rouse Hill.

3.4 TYPES OF INFRASTRUCTURE

What other infrastructure would assist in the delivery of further employment and housing? – ref. 11

Much recent focus on 'infrastructure' has been on transport projects, particularly roads. Although a number of transport improvements on the Central Coast are long overdue, we consider a broader definition of 'infrastructure' is needed:

- 'Social Infrastructure' is a subset of the infrastructure sector and typically includes assets that accommodate social

services. Examples include schools, universities, hospitals and community housing.

- 'Community infrastructure' includes neighbourhood groups, charities, social networks and support services.

The Discussion Document includes mention of physical infrastructure, including social infrastructure, though there is no mention of community.

Community infrastructure can be built through supportive programs by State and local government, in particular schemes that help build individual and community capacity. Approaches require a degree of funding, though mainly rely on a web of networked organisations operating locally.

Pacific Link is a good example of social enterprise that works to build community capacity as well as manage social housing. Our neighbourhood projects described in Section 2 all help make the Central Coast a more stable, socially integrated and attractive place to live in.

Employers and house developers are more likely to move to the Central Coast if they believe it is desirable location, which offers high quality living standards for workers and residents. Investment in social and community infrastructure can therefore make a big difference to the economic prosperity of the region.

Funding infrastructure

Timely and adequate provision of infrastructure is necessary to support new housing development. However, if infrastructure is funded through high up-front contributions from developers the costs may be passed to purchasers and unaffordable housing delivered.

Tax Increment Financing (TIF) has been used extensively in the US and currently applies to 49 states. TIF allows public agencies to take tax revenues derived from increases in property values within a defined development area and use those 'incremental' tax revenues to fund the infrastructure and renewal projects that led to this property appreciation.

Using TIF on the Central Coast would moderate up-front costs to developers and Governments, and encourage the greater supply of housing that is affordable to larger numbers of households.

TIF is one form of 'value capture' that recovers some or all of the value that publicly funded infrastructure generates for private landowners. There are other alternatives to TIF such as Land Value Tax or special one-off charges.

TIF needs to apply to specific districts, and there are opportunities to align planning reform, infrastructure funding and recent new approaches to centres.

We recommend TIF is considered not just for urban renewal, but also for more general upgrading of social housing and delivery of affordable housing.

3.5 AFFORDABLE HOUSING

What other infrastructure would assist in the delivery of further employment and housing? – ref. 11

The Discussion Paper makes mention of the importance of affordable housing, though provides no suggestions as to how it can be delivered. This section builds on Pacific Link's considerable experience in supplying housing that is affordable to low and mid income Central Coast residents.

AFFORDABLE SALES AND RENTALS

There is no clarity in the Paper on the important differentiation between supplying affordable housing for sale, and for rent. Both types of housing are important, though the main focus in the Paper is on housing delivered 'through the market' by increasing construction.

Housing affordability is and will continue to be a crucial issue in the Central Coast. It is not simply a matter that can be addressed by increasing housing supply through new land releases or infill development, although these are important elements of the solution.

As a first step, we believe that the Central Coast Plan should address housing affordability more specifically, including:

- Clearly identifying that there is a need for sub-market priced rental housing and lower cost housing for purchase, as well as for additional market-priced housing.
- Targeting affordable housing products using existing NSW Government guidelines - i.e. for households below 120% of the area median income.
- Ensuring affordable home ownership properties give priority to owner occupiers, rather than property investors or those seeking a second home away from the city.

USING THE PLANNING SYSTEM

One option to deliver more affordable housing for rent or sale is to allow private developers to make voluntary affordable housing contributions in exchange for planning incentives such as increases in density or height. The problem is that this would not be mandatory, and might not be taken-up by developers in the region.

We therefore recommend affordable housing levies should be permitted under inclusionary zoning mechanisms. These are common in many parts of Australia and overseas. Communities should be empowered to make decisions about their infrastructure needs and requirements.

By way of example, the City of Sydney's affordable housing levy program in Green Square has resulted in more than 100 affordable rental housing units built and managed by the community housing sector. The program target is 330 affordable rental housing units. A

similar program in Ultimo and Pyrmont resulted in over 400 similar dwellings and the program target is 600 apartments.

Using inclusionary zoning on the Central Coast would be a cost effective way of maximising affordable housing outcomes. It would also act as whole-of-region pilot project that might be rolled-out state wide.

SOCIAL HOUSING REQUIREMENTS

As noted in Section 1.3 of this Submission, the Central Coast has only 3.1% social housing compared to a NSW average of 4.4%. This is one of the factors impacting on the housing affordability challenges in the region. Additional social housing will be needed over the next 20 years in order to prevent the social housing percentage falling yet further.

The numbers required are as follows:

- 1,810 new social dwellings would be needed on the Central Coast to bring the percentage share of the sector the level across all of NSW.
- If social housing was to remain at 3.1% of all housing, 1,140 of the projected increase in dwellings to 2031 would need to be social.
- If social housing in the Central Coast was to reach NSW 2014 averages by 2031, 3,429 of the new dwellings would need to be social housing.

As a first step, we believe that the Central Coast Plan should clearly identify that there is a need for more social rented housing in the region. However, the new social housing needs to be better located, sensitively managed and well designed - unlike much of the existing housing stock.

DELIVERING EXTRA SOCIAL HOUSING

In relation to investment in social housing stock, State Housing Authorities have suffered for many years from restricted access to finance and limited Commonwealth subsidies. They have struggled to develop new housing stock or keep pace with maintenance.

For these reasons, NSW Government's portfolio of social housing properties has remained fairly static for the last decade, and has certainly failed to keep pace with growth in the state's population. Waiting lists have lengthened and in some locations (notably large estates) housing conditions have deteriorated.

By contrast, community housing can grow their social housing portfolios. This can be achieved by capturing Commonwealth Rental Assistance, running a lower cost base and offering a range of rent settings to boost revenues. Cash-flow surpluses can be used to raise bank finance, secured against the property asset. Loans then fund new property construction.

Community housing providers also have the ability to receive philanthropic donations, either of land or of reduced prices for development work. This latter approach has helped finance a number of Common Ground homelessness initiatives across Australia. Furthermore, it is often possible to work closely with councils who are keen to promote new supply of affordable housing by supplying land.



SUPPORTING COMMUNITY ORGANISATIONS

Although NSW Government is increasingly working with the not-for-profit sector to deliver a wide range of social services, there is little mention of their crucial role in the Discussion Paper.

Strategies are required to support efforts of organisations like ours to meet the housing needs of poorer and disadvantaged households, particularly those that cannot afford market-priced housing for sale or rent. This is Pacific Link's core client group, and the needs of this client group already greatly outstrip our capacity to assist them.

We recognise that funding for affordable housing will continue to be a challenge. However, with strong strategic support from State level policies, organisations like ours could do more to address the needs of our tenants, particularly if the development approval framework was more supportive and all arms of government worked together to achieve the desired outcomes.

PRACTICAL STEPS TO INCREASE THE NUMBER OF AFFORDABLE RENTALS

Pacific Link is already working on three projects that can help deliver NSW Government's housing goals for the Central Coast. We believe there is scope for all three to be rolled-out at volume:

- **SECONDARY DWELLINGS**

We are exploring with Government the possibility of constructing secondary dwellings (granny flats) on existing social housing plots. Our modelling suggests we can deliver 100 new affordable rental homes for every 200 social housing units transferred to Pacific Link.

- **STUDIO APARTMENTS**

In partnership with Evolve Housing we are developing 'new generation' studio apartments in the region. These are modest in costs, yet deliver much needed small and affordable homes for lower income residents.

The above examples show how innovative community housing providers can increase the supply of affordable rental properties at minimal cost to Government.

Another approach would be for medium-sized pockets of low density social housing, say 20 homes, to be transferred to a community housing organisation. These could be redeveloped into medium density social, affordable and market housing schemes. Proceeds from private sales could be used to subsidise the development. It is also an opportunity to introduce shared homeownership and help deliver on the housing continuum.

Building new smaller properties in a neighbourhood would allow households who currently under-occupy their property, or require a modified property due to mobility issues, to move to more suitable accommodation without breaking their local ties with their community. Hence the proposal addresses social housing shortages, reduces under-occupancy and enables more people to 'age in place'

As a locally based organisation we are well placed to know what is needed in the Central Coast, and we can manage the properties intensively from our Gosford head office. This ensures tenants are well integrated into the community, and are supported if they have complex needs.



3.6 IMPLEMENTATION STRATEGY

What other infrastructure would assist in the delivery of further employment and housing? - ref. 11

NSW has had many generally sensible longer term regional planning policies, including for Metropolitan Sydney and the Central Coast. Unfortunately little has been achieved, mainly due to a lack of clarity about the roles and responsibilities for implementation.

Local councils play an important role in preparing and implementing planning policies that affect housing supply. However, the NSW Government also has a key role, being responsible not only for regional planning strategies and State-level policies but also investment in transport, social infrastructure, land release and promoting employment hubs.

ROLE FOR LOCAL GOVERNMENT

Both Central Coast councils have taken some steps in addressing the housing affordability problems in their areas:

- Gosford City Council has a 2005 Affordable Housing Strategy, updated in 2009. This promotes residential park protection, adaptable housing provision, use of council land, social housing delivery.
- Wyong Shire Council released a policy in 2008 'Promoting choice: a local housing strategy for Wyong Shire'. This uses the planning system, for example through zoning, to deliver affordable housing.

Of the two councils, the main approach has been to partner with local community housing groups, and make minor changes to local planning regulations. Gosford has policies to use their own land to

promote better affordability outcomes, and their approaches to protecting holiday parks are well advanced.

In May 2012 Wyong Council entered into an agreement with Pacific Link to co-operate on projects designed to include low levels of affordable housing in new schemes. This partnership approach offers the chance to include affordable housing in new growth areas such as North Wyong (see Box 2).

Both councils have updated their LEPs in line with State Government requirements. However, we believe that Gosford and Wyong councils also need to update their Affordable Housing Strategies. These should conform with the direction set in the Central Coast Regional Growth Plan, yet provide more practical details and help ensure that:

- Current and future affordable housing demands are understood locally, and strategies put in place to facilitate delivery of the appropriate mix and types of housing in the suitable locations. This includes affordable housing for sale as well as social and affordable housing for rent.
- Council's planning policies, land holdings, and community development resources are utilised in ways that facilitate affordable housing provision.
- Affordable housing is linked to community plans, such as the Liveable Communities project which promotes access to public transport, employment opportunities, support services and recreational activities for all members of the community. Sources of funds, land, cross subsidies etc. are identified to support affordable housing delivery.
- Councils identify ways of working to assist private developers, community housing providers and Housing NSW to collaborate and not duplicate effort.
- Best practice for the management of affordable housing can be identified.

Wyong Shire Council has entered into an agreement with Pacific Link to co-operate in the planning and delivery of housing appropriate to the Council's recently adopted housing plan.

Pacific Link Chairman, David Bacon, said Wyong Council was to be applauded for opting to co-operate in the orderly planning and delivery of integrated community housing units in the Shire. "There will always be a need for community housing," he said, "and this is a positive agreement that will lead to best practice planning and delivery for the benefit of the community as a whole."

Wyong Shire Mayor Bob Graham said Council was delighted to enter into an arrangement with Pacific Link. "This will assist in creating opportunities to share information or assist in projects that will provide real benefit to our community in the form of housing choice," Mayor Graham said.

"Pacific Link is a locally based community housing provider that understands the issues surrounding the availability of this type of housing in the Shire. The agreement means Council is well equipped to help address the housing choice issues affecting many of our residents and shows how committed we are to minimising the level of housing stress in our community."

BOX 2: PACIFIC LINK COLLABORATING WITH A LOCAL COUNCIL

The 2012 partnership between Wyong Council and Pacific Link is a good base for working towards more comprehensive collaboration. This type of arrangement could work well with Gosford Council. Such agreements are the foundations through which the high level goals of the Plan can be turned into reality.

ROLE FOR STATE GOVERNMENT

NSW Government will continue to have a strong role in steering the housing system. However, their role should be one of setting objectives, managing subsidies, and helping coordination, with less of a focus on direct social housing delivery.

Currently the roles and responsibilities within Government are blurred, and many proposed changes have not occurred:

- The NSW Office of Local Government is separate to the NSW Department of Planning and Environment.
- Neither planning reform nor local government amalgamations have proceeded as intended. Both changes would have assisted delivery of regional planning in the Central Coast.
- Treasury remains vital to delivering infrastructure, though remains separate to the planning system.
- The Department of Families and Community Services has been restructured, and there is less of a distinct mandate for social housing. No social housing policy has been issued for a number of years.

The Central Coast Plan will need a 'whole of government' approach in order to be successfully implemented. There will need to be close and cooperative working between State Government departments and agencies, and local government. In the past this complexity has led to many regional plans failing to be implemented.

A NEW COORDINATING AGENCY

We recommend that the challenges are so great on the Central Coast that a specific agency needs to be established. This will need to be appropriately funded, based on the Central Coast, and be able to coordinate between the stakeholders. It will also be responsible for monitoring progress with implementation, checking if targets have been achieved.

There is likely to be role on the Central Coast for Urban Growth NSW. Potentially the central Gosford Wyong corridor (along the road/railway line) could be designated a Major Urban Renewal Portfolio. If this were to occur, a coordinating agency would still be required.

The new agency would need to bring together a variety of organisations with a role in delivering change, and these would span the public, private and not-for-profit sectors. It would also become a forum where detailed input is received from the two local councils.

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