

# **Compilation of Council reports on housing affordability and affirmative actions to improve**

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**Report No. 13.3 Byron Shire Key Workers Issues Paper**

**Directorate:** Sustainable Environment and Economy

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5 **File No:** I2021/270

**Summary:**

The purpose of this report is to highlight the current issues impacting key workers in Byron Shire accessing available, suitable and affordable housing locally.

A recent report from [ABC news](#) put a spot light on the above, with highlights noted below:

- 10
1. The impact of migration of city residents to regional areas to try a sea & tree change due to COVID.
  2. The increase in regional NSW property prices over the last year.

**January median regional property prices:**

1. Burradoo: \$1,725,965
2. Byron Bay: \$1,552,367
3. Coledale: \$1,516,001
4. Suffolk Park: \$1,495,220
5. Austinmer: \$1,438,399
6. Casuarina: \$1,325,886
7. Kangaroo Valley: \$1,304,366
8. Exeter: \$1,276,494
9. Bangalow: \$1,241,275
10. Thirroul: \$1,240,396

*Source: CoreLogic*

- 15
3. The rental squeeze on low and medium income earners, part time and other seasonal workers, the result of landowners opting for potentially higher returns from holiday-letting over permanent letting particularly in Byron Shire.

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Anecdotally, there are reports of business owners buying houses for staff to live in, or moving to temporary accommodation, providing their homes for staff. Byron Shire and Lennox Head and Ballina businesses are known to be doing this to avoid facing part or full closure. There are also people living between their cars and self storage units.

- 5 The bottom line is that, although Council is poised to deliver shovel ready solutions, it is unable to do so easily and/or readily due to the state planning framework and the constraints in which local government operates in terms of finance and co- investment options for housing development and its associated infrastructure.

10 There is an urgent need for a policy circuit breaker to enable the supply of low to high-end rental and ownership accommodation opportunities outside the current 'inflated free market' for displaced local community and key workers in regional areas like Byron Shire.

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15 **RECOMMENDATION:**

1. **That Council receives and notes the staff report on 'Byron Shire Key Workers Issues Paper'.**
2. **That Council requests staff to:**
  - 20 a) **Invite the Hon. Melinda Pavey, MP Minister for Water, Property and Housing, and the Hon. Rob Stokes, MP Minister for Planning and Public Spaces to Byron Shire to:**
    - **discuss key worker housing stress;**
    - **visit key council project sites; and**
    - 25 • **discuss the potential for state government grant funding to support infrastructure delivery needed to facilitate local affordable and diverse housing initiatives already commenced in Byron Shire.**
  - b) **Seek interest from other northern rivers councils about undertaking a case study of local employer/s facing attraction/retention challenges due to housing unaffordability. This study to support point d.**
  - 30 c) **Seek cross council collaboration from other northern rivers councils to identify innovative solutions to regional housing affordability challenges that go beyond the current LGA boundaries. These solutions to support point d and form the basis of pilot projects for the region.**
  - 35 d) **Advocate for Federal and State Government to change the policy and regulatory setting to facilitate investment through to councils undertaking development. This could include councils directly facilitating development through planning, providing land, and financial levers such as subsidies and private public partnerships, thereby providing the private sector with the certainty that it needs to invest confidently in the region.**

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- 3. That Council receive an update report on 2 a-d at the ordinary June Council meeting.**

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**Report**

Issues and barriers to key workers being able to access available, suitable and affordable housing in Byron Shire include:

- Cost of housing (purchase and rental);
  - 5 • Seasonality (timing and need for housing for seasonal workers which conflicts / coincides with the peak holiday visitors times); and
  - Limited permanent, long term rental housing and permanent social housing options.
  - The 'holiday let housing deficit factor' (in Byron Shire @20% of the permanent housing stock in Byron Shire is holiday let with average rates \$250/night)
- 10 Byron Shire Council has been proactive in its attempts to address these challenges by progressing many housing affordability initiatives over the last decade including:
- 2011 - 2018: Waived secondary dwelling infrastructure fees to boost supply of local housing.
- 15 2017: Informed by a Byron Shire Business Survey, the draft Residential Strategy led discussion on a bold plan for new and more appropriate housing opportunities to meet the future needs of our growing community. Aimed at maintaining affordability intrinsic to the Shire's economic and social vitality.
- 20 Feb 2017: Council hosted a Housing Summit with government, housing providers, private industry and community stakeholders to better understand availability of affordable housing in the Byron Shire.
- 25 2017 ongoing: Council called for Expressions of Interest from landowners to submit affordable housing proposals on land in the Byron Shire. Anticipated delivery is potentially 20% of the lots secured with affordable housing projects now in progress in Bangalow and Mullumbimby. This housing affordability initiative has scope to deliver some 140 affordable rental homes for low to moderate income households within 15 years.
- 2018: Council held a Housing Roundtable. Council discussed support needed to deliver affordable housing and action needed on legal and governance structures, communication/education, development opportunities and planning/policy reforms. An action which resulted in the establishment a Community Land Trust.
- 30 2019 -20: Housing Challenge hosted three of Australia's affordable and social housing experts in a forum on local communities with local solutions. Followed by Council research on national and international affordable housing models that may be adaptable to the community's housing needs. Application of these models to specific sites within the Shire and economic feasibility is also documented.
- 35 2019: Council sought and gained NSW government support to extend its Affordable Housing Contribution Scheme (State Environmental Planning Policy 70) to the whole of

the state. Council is currently developing a local scheme as viability assessment is complete.

5 2020: Council adopted an Affordable Housing Contributions Policy to ensure efficient, fair, transparent and accountable processes and facilitate landowners entering voluntary planning agreements (under the affordable housing project) or providing contributions (under the NSW Affordable Housing Contributions Scheme). It provides a framework to secure land and or monetary contributions to deliver affordable housing on greenfield land identified in the Residential Strategy.

10 2020 -21: A number of planning regulation changes in support of delivery of affordable housing outcomes progressed:

- planning control changes for council lands and private lands for the development of diverse housing with different entry price points (Lot 22, Mullumbimby Hospital and other private land in Mullumbimby and Bangalow)
- 15 • tiny house pilot project - to provide for tiny house development on council land (challenging as new definition and controls needed, and appropriate locations due to land constraints and neighbouring property amenity concerns).
- worked with housing providers to facilitate development in the local area (NCCH Station Street and current EOI for development above carparks)
- 20 • planning controls in development to limit the duration of time that dwellings can be holiday let, particularly in the unregulated market (e.g. Airbnb) (challenging as there is no understanding of the deleterious impacts this is having on community, key workers housing in regional coastal areas like Byron)
- Link to Council project page:

25 <https://www.byron.nsw.gov.au/Community/Community-Support/Housing-Affordability-Initiatives>

**Why is it such an issue for key workers, business and the economy?**

30 Responses to the Byron Shire Business Survey, (over 1,000 responses) conducted in November 2017, identified access to affordable housing as a risk to business, seeing the high property prices and rental rates as prohibitive for many staff, meaning workers are driving in from outlying areas. There is a perception that locals are being pushed out. The main concern seems to be high rents for local employees and house prices that make home ownership beyond the reach of those on typical Byron Shire incomes. Other observations connected to access to housing included:

- increased commuter congestion
- 35 • increased levels of staff turnover
- concern that the population is aging and that young people are leaving to seek more affordable homes and lifestyles elsewhere.

Our businesses inject economic benefits into the area by employing residents and providing broader economic spin-offs to the region and Australia. If this is to be maintained, we need to plan for localised affordable key worker housing.

- 5 Without action, we will see increased business costs negatively influence the viability of both incumbent businesses and new entrants to the market. It is essential to keep pace by meeting the needs of a growing and diversifying population and a buoyant economy.

### **Industry growth**

Comparatively, Byron Shire's economy grew at a marginally faster rate (1.7%) than the rest of Regional NSW and Northern Rivers Region (1.3% and 1.6% respectively).

- 10 In 2016, Byron Shire's Gross Regional Product (GRP) was \$1.56 billion, representing a 28% increase from that generated in 2001 (\$1.22 billion). This proportional growth was greater than the 22% increase in GRP recorded for Regional NSW and 27% increase across the Northern River Region over the period.

- 15 In the year ending June 2019, Byron Shire's Gross Regional Product was \$1.84 billion, growing 1.2% since the previous year.

### **Industry growth sectors**

In 2015/16, the four largest industries, by Industry value added in Byron Shire were:

- Accommodation and food services (\$129 million)
- Health care and social assistance (\$125 million)

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- Construction (\$114 million)
- Retail trade (\$111 million).

Combined, these four industries accounted for \$388 million in total or 38.6% of the total Value Added by Industry in our Shire for this period. In the year ending June 2019, Construction was most productive industry in the Shire, generating \$149 million.

- 25 In Byron Shire, Accommodation and Food Services had the largest total exports by industry, generating \$203 million in 2018/19.

### **Employment growth**

- 30 Our Shire had 14,092 jobs as at 2015/16, representing a 23% increase in employment generation from that recorded in 2000/01 (11,442 jobs). Over this period, almost all industry categories experienced increased employment.

The job figure has continued to rise, with 15,694 jobs as of 2017/18. The jobs-to-resident ratio for our Shire in 2017/18 was 1.00, meaning that there were more jobs than resident workers. The construction industry had the highest ratio (1.41), while the lowest ratio was found in mining (0.20).

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Table 1 shows job growth in the top four employing industries, providing a combined 8630 jobs in 2017/18.

Table 1: Jobs in top four employing industries in Byron Shire

Type of industry	Number of jobs 2017/18	Percentage of all jobs 2017/18	Increase in number of jobs since 2012/13
Accommodation and food services	2,888	14.6%	+ 249
Healthcare and social assistance	2,046	13.0%	+ 605
Retail trade	1,814	11.6%	- 66
Education and training	1,613	10.3%	+ 422

5 In 2016, workforce participation in the Shire was highest for those aged 40 to 49, with 50 to 59 year olds also having a high participation rate.

In 2016, women made up 63.5% (3,918) of the workers in the top four employing industries in Byron Shire.

### Who are our key workers?

10 With 'COVID', the definition of a key worker has merged with consideration as to what are 'essential workers'. In either case, they are recognised by primary markers of:

- job is considered essential to the functioning of society; and
- usually on a low to medium income.

15 For Byron Shire, a key worker is a person employed in essential industries like health care, education, emergency services and law enforcement, as well as having regard to the Byron Shire four largest industries workforce profile. The Byron Shire Residential Strategy identifies additional key workers for the Byron Shire local economy:

- Food Trades Workers
- Automobile, Bus Drivers,
- Personal Carers and Assistants,
- 20 • Child Carers,
- Health and Welfare Support Workers,
- Automotive Electricians/Mechanics,

- Hairdressers,
  - Checkout Operators Office Cashiers,
  - Food Preparation and Assistants.
  - Cleaners
- 5 • Property maintenance (such as handymen, plumbers, carpenters, electricians, garden maintenance)

10 In addition, Byron Shire identifies the arts as playing an important role in contributing to the development of a sustainable vibrant Shire. In line with this, people employed in the creative arts sector, such as; artists, actors, writers and musicians, have been identified as an important component in any key worker target. Artists are often very reliant on grants or very low incomes.

Equating these workers to the ABS industry sectors, on which data is collated, this encompasses:

- Retail Trade
- 15 • Motor Vehicle and Motor Vehicle Parts Retailing
- Fuel Retailing
  - Food Retailing
  - Other Store-Based Retailing
  - Non-Store Retailing and Retail Commission Based Buying
- 20 Accommodation and Food Services
- Accommodation
  - Food and Beverage Services

Education and Training

- Preschool and School Education
- 25 • Tertiary Education
- Adult, Community and Other Education

Health Care and Social Assistance

- Hospitals

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- Medical and Other Health Care Services
- Residential Care Services
- Social Assistance Services

### Workforce containment and access to affordable housing

- 5 The Shire saw a decline in workforce self-sufficiency (the proportion of local workers who also live in the Shire) by 3.7% to 73.9% between 2011 and 2016. The main sectors experiencing a decline in resident local workers were retail trade, accommodation and food services, health care and social assistance, even though the local workers employed in these industry sectors had risen in same period.
- 10 Local workers are made up of all the people who are employed in the local area i.e. Byron Shire, regardless of where they live.

Table 2: Industry sector self-sufficiency

Byron Shire Industry	2016			2011			Change 2011 - 2016
	Total local workers	Local workers residing in Byron Shire	% industry self- sufficiency	Total local workers	Local workers residing in Byron Shire	% industry self- sufficiency	
Accommodation and Food Services	1894	1439	75.9	1709	1427	83.5	-0.078
Retail Trade	1544	1161	75.1	1610	1278	79.4	-0.043
Health Care and Social Assistance	1594	1059	66.4	1163	893	76.8	-0.104
Education and Training	1130	799	70.7	934	703	75.3	-0.046

Source: Australian Bureau of Statistics, Census of Population and Housing 2011 and 2016.

- 15 The housing market analysis in the following sections shows that there are limited opportunities for the market to meet the demand for affordable housing in Byron Shire and significant underlying demand for affordable housing.

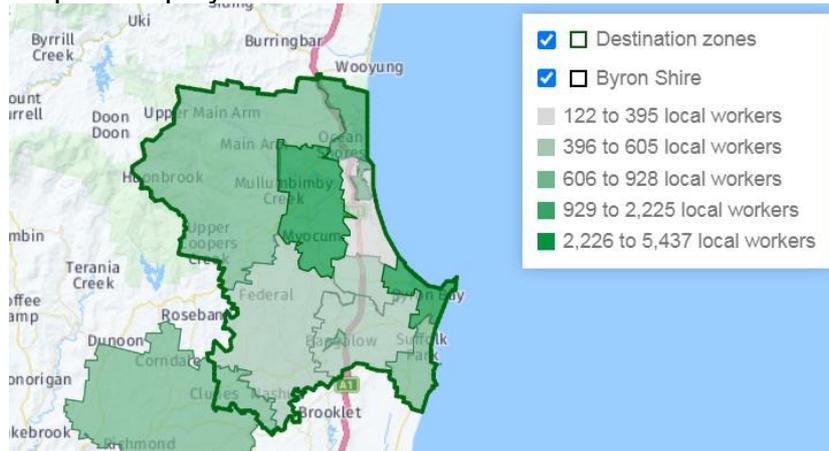
As shown on Map 1, the major employment centre in Byron Shire is centred on Byron Bay township, with a secondary employment centre in Mullumbimby. The majority of outside the Shire local workers travelled from Tweed and Ballina Shires. The areas of Sunrise and the Byron Bay as a work destination zone, had the greatest number (39.7%, 5,437 workers) of local workers within our Shire.

There is limited morning peak hour public transport access to these centres for workers, with the 640 bus service from southern coastal areas reaching Byron Bay at 07.55 and

08.40 and reaching Mullumbimby at 08.25 and the 645 bus service from northern coastal areas reaching Byron Bay at 08.45 and Mullumbimby at 08.20.

5 Increased commuter workers also contribute to Pacific Motorway inefficiency. The Ewingsdale interchange is one such example. At peak times it is beyond capacity affecting the flow of Byron central hospital, local business, tourist visitation and importantly highway through traffic. In 2020, Council sought to address this issue with an application to Infrastructure Australia to get MR545 on the priority list for Australian Government funding.

Map 1: Employment location – number of local workers



10 **Background on individual incomes - key workers**

In the next 10 years it is predicted that:

- Australia wide, 7 out of the 10 largest employment growth area will be in lower paying industries such as health care and social assistance and education and training. The Business and Industrial Lands Strategy analysis indicates Byron Shire is likely to follow this trend.
- Households with low to middle income (working in jobs as cleaning, caring, teaching or nursing) will increasingly rely on affordable rental housing.
- Australia wide home ownership will continue to decline. For Byron Shire it dropped from 59.1 % (2006) to 56.7% (2016); benchmarked with Australia at 67% – essentially this means in Australia we cannot continue to rely on people being able to buy their home, as the core housing response. <https://www.aihw.gov.au/reports/australias-welfare/home-ownership-and-housing-tenure>

Workers who live in Byron Shire, as well as those who work in Byron Shire, have lower levels of total personal income compared to the rest of NSW.

25 Table 4 shows the proportional representation of lower income and higher income workers within the top four employment industry sectors. Lower paying and seasonal jobs associated with the parts of these industry sectors contributes to lower incomes.

Table 3: 2016 Individual income profile by industry sector all workers, females and males

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Industry sector	All Local workers				No. Women as % of all workers	Females (% of all workers in industry sector)		Males (% of all workers in industry sector)	
	NSW earned < \$650 per week	Number of workers 2016	% earned < \$650 per week	% earned >\$1,750 per week		% earned < \$650 per week	% earned >\$1,750 per week	% earned < \$650 per week	% earned >\$1,750 per week
Accommodation and food services	58%	1894	51.8%	4.3%	990 52%	59%	2.8%	43.9%	5.7%
Healthcare and social assistance	24.5%	1544	35.3%	12.6%	1096 71%	39.4%	7.8%	21.7%	27.3%
Retail trade	46.5%	1594	51.7%	3.7%	956 60%	56.4%	2.2%	43%	6.5%
Education and training	22.6%	1130	28.9%	15%	876 69.5%	31.6%	12.3%	18.7%	24%
<b>Total</b>	-	6162	-	-	3918 63.5%	1631 worker s 41.6%	-	-	-

Table 3 also highlights a disparity in female and male worker incomes. Of female workers in the top four employing industries, 41.6 % earned less than \$650 per week. By comparison, 36.3% of all male workers in these industries earned less than \$650 per week.

5 The major differences between the age structure of the female workforce in Byron Shire and New South Wales were:

- A *larger* percentage of female local workers aged 45 to 54 years (25.4% compared to 21.8%)
- A *larger* percentage of female local workers aged 55 to 64 years (19.0% compared to 14.8%)

10

In 2016, women over a 50 made up 22 % of our Shire population with this predicted to grow to 28.5% by 2036.

### Wage growth - 2016 to 2020

15 Private sector wage growth (such as in accommodation and food services and retail trade industry sectors) was just 0.1% in the three months to the end of September and 1.2% for

the year, while public sector wage growth rose 0.2% and 1.8% respectively for these periods. Head of Price Statistics at the ABS, Andrew Tomadini said: "After a steady period of wage growth over the previous 12 months, wages recorded the lowest annual growth in the 22-year history of the WPI.

- 5 Going forward - Treasury has forecast wage growth will remain at just 1.25% through to June 2021 before rising to 1.5 % for 2020-21. However, Capital Economics says it expects annual wage growth will continue to drop to below 1% by next year. (ABS & Financial review)

**Household incomes**

- 10 The Table 5 below shows the distribution of household incomes for Byron Shire compared to the rest of NSW. Byron Shire has slightly higher proportions of very low income households and moderate income households, and lower proportions of higher income households.

Table 4: Household incomes

	Byron Shire	Rest of NSW
Very low income households (less than \$583 per week)	22.1%	21.0%
Low income households (\$583- \$933 per week)	18.3	18.8%
Moderate income households (\$933- \$1,399 per week)	18.8	17.8%

- 15 (Source: ABS Census 2016, Judith Stubbs & Associates - JSA calculations and analysis)

Table Notes:

(1) Excludes Negative and Nil Income

(2) Results obtained from linear interpolation within Census income bands

20 **Housing costs**

Housing cost is typically considered using household income.

- 25 Housing is 'affordable' when very low, low and moderate income households 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. This is generally accepted to be where such households pay less than 30% of their gross household income on housing costs.

Households paying more than 30% of total household income in mortgage or rental payments are considered to be in rental or mortgage stress.

- 30 Table 5 shows rental costs have been growing at a significantly higher rate than household incomes and renter household housing stress is a long standing issue.

In 2016, 25.8% of households in Byron Shire had a weekly household income of less than \$650/week whilst the medium weekly rent was \$400/week.

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Table 5: Change in the rental costs to household income Byron Shire

Year	Average week rent in Byron Shire	Medium weekly household income
2006	\$250/week = rent at 33% on income	\$738
2016	\$400.00 rent at 34% of income  40.3% of renting households were paying \$450 or more per week in rent	\$1143.00/week  [compared to \$1,166 for Rest of NSW and \$1,482 for NSW]

5 Table 6 further breaks down renter housing stress information in Byron Shire compared to the rest of NSW. Byron Shire has very high levels of housing stress in comparison, and, contrary to the rest of NSW, a large majority of moderate income households are in housing stress. Amongst very low income households, 60% are spending more than 50% of gross household income on rental, compared to 43% for the rest of NSW.

10 The table shows rental stock and very low, low and moderate income renters in Byron LGA at the 2016 Census. Byron Shire had similar proportions of very low, low and moderate income households compared to Rest of NSW but had much lower levels of affordable rental stock, with rates around half of those for Rest of NSW. In Byron Shire, 53.1% of rental stock was affordable to very low, low and moderate income households compared to 95.4% of stock in Rest of NSW.

Table 6: Rental Stock in Byron Shire at 2016 Census

	Byron LGA			Rest of NSW		
	Proportion of Renting Households	Proportion of rental stock affordable (excluding social housing)	Social housing as a proportion of rental stock	Proportion of Renting Households	Proportion of rental stock affordable (excluding social housing)	Social housing as a proportion of rental stock
Very low income households	26.4	6.8	6.3	26.9	40.6	16.4
Low income households	21.6	12.4	-	22.5	25.2	-
Moderate income households	20.1	27.6	-	19.6	13.2	-
Total	68.1%	46.8%	6.3	69	79	16.4

Source: ABS and JSA calculations

15 1. Proportions of rental stock are not cumulative, that is housing that is affordable to very low income households is also affordable to low income households but is not included in the total for low income households.

2. Households with negative/nil income excluded.

**Rental Vacancies**

5 A survey was conducted by Judith Stubbs & Associates (JSA) of real estate agents in Byron Shire in the week of 6 January 2020. Thirteen provided information on the size of their rent roll and the current level of vacancies. The total rent roll across these agencies was estimated at 1,319 with 60 vacancies, giving a vacancy rate of 4.5%. The vacancies appeared to be mostly for larger properties, with few if any, affordable to moderate income households. While this vacancy rate may be expected to lead to downward pressure on rents, this does not seem to be the case in Byron, as shown by the rental supply analysis below.

**Affordable Housing Benchmarks**

Drawing on analysis by JSA on rental data for the June quarter 2019 for Byron Shire compared to Rest of NSW showed rents in Byron Shire are more than double those for Rest of NSW. Furthermore:

- 15 • of the dwellings for rent in Byron Shire, no product was affordable to very low or low income households
- the only product affordable to moderate income households was a one bedroom dwelling, with these comprising 12% of dwellings.
- 20 • A first quartile one bedroom dwelling was affordable to most moderate income households,
- a median one bedroom dwelling was affordable to 60% of moderate income households and
- a third quartile one bedroom dwelling was affordable to 5% of moderate income households.

25 As further analysis by Judith Stubbs & Associates of a rental snapshot was conducted for Byron Shire for 3 January 2020 using domain.com.au. Results showed of the 92 properties identified for rent, a single one bedroom dwelling in Brunswick Heads was affordable to a very low income household (1% of dwellings), two one bedroom dwellings in Brunswick Heads were affordable to a very low income household (2% of dwellings) and 12 dwellings were affordable to moderate income households (12% of dwellings). Brunswick Heads was the only suburb where a median rental dwelling was affordable to a moderate income household.

Table 7: Median weekly rent by locality

Locality	Median rent/week \$	Number of properties
Bangalow	725	8
Brunswick Heads	370	8
Byron Bay	700	19

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Clunes	550	3
Ewingsdale	1250	7
Mullumbimby	1200	3
Newrybar	1200	3
Ocean Shores	595	15
South Golden beach	688	4
Suffolk Park	950	13

Source: domain.com.au, 3 January 2020, Judith Stubbs & Ass. (JSA) calculation

More recent data weekly rents statistics provided NSW Government for Local Government Area – Byron Shire for the December quarter 2020 shows a continued trend in increase in median weekly rents.

5 Table 8: Rents December 2020 quarter and annual change

Dwelling Types	Number of Bedrooms	Quartile Weekly Rent for New Bonds \$	Median Weekly Rent for New Bonds \$	Quarterly change in Median Weekly Rent	Annual change in Median Weekly Rent
Total	Total	523	670	6.35%	17.54%
Total	1 Bedroom	389	473	6.18%	23.53%
Total	2 Bedrooms	480	550	10.00%	11.11%
Total	3 Bedrooms	650	740	8.82%	13.85%
Total	4 or more Bedrooms	863	1000	11.42%	21.95%
House	Total	600	750	7.14%	16.28%
House	1 Bedroom	424	473	5.00%	21.15%
House	2 Bedrooms	520	550	0.00%	6.28%
House	3 Bedrooms	650	750	10.29%	15.38%
House	4 or more Bedrooms	850	1000	11.73%	21.95%
Other	Total	319	545	10.66%	32.52%
Townhouse	Total	600	730	5.80%	12.31%
Townhouse	3 Bedrooms	700	775	10.71%	15.67%
Flat/Unit	Total	450	500	5.26%	11.11%
Flat/Unit	1 Bedroom	400	475	5.56%	23.38%

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Dwelling Types	Number of Bedrooms	Quartile Weekly Rent for New Bonds \$	Median Weekly Rent for New Bonds \$	Quarterly change in Median Weekly Rent	Annual change in Median Weekly Rent
Flat/Unit	2 Bedrooms	450	500	6.38%	4.17%

Source: Local Government Area – Byron Shire NSW Government Communities & Justice bond lodgement data.

5 Renters are spending a higher percentage of their earnings on rent with up to 48% of weekly household income required to pay the median rent across all housing categories in the Shire. To avoid housing stress a median annual household is of \$102,300 is required but the median annual household income was closer to \$63,000 in 2016 and even based on an optimistic 2% wage growth the current estimate is around \$68,500.

### Holiday letting

10 At the 2016 census, 13.2% of dwellings in Byron Shire were unoccupied and 4.6% were visitor only households; compared to 12.4% and 1.7% respectively for Rest of NSW. There may also be seasonal fluctuations due to tourism impact, with tenants displaced during the peak holiday period in favour of tourism lettings.

### Purchaser households

15 Whilst not the focus of this report, Byron Shire has high levels of purchase housing stress by comparison with Rest of NSW, and, similar to renters, there are higher levels of housing stress among low and moderate income households.

### Conclusion

The cumulative impact of:

- four largest employment growth industries being in the main lower paying industries
- 20 • relatively low wage growth
- high growth in rent costs and land purchase price
- high levels of private rental and low levels of social rental
- undersupply of apartment and other smaller self- contained accommodation
- strong market competition for holiday letting further reducing available housing stock
- 25 • women making up 63.5% (3918) of the workers in the top four employing industries in Byron Shire with 41.6 % earning less than \$650 per week (census 2016). has resulted in acute housing stress (both rental and mortgage).

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Byron Shire's key worker cohort is part of a larger community experiencing the highest stress levels in the Northern Rivers and is higher than New South Wales. The impact extends beyond very low to low households to include medium income households.

5 Further indicators are single women key workers, particularly those in the over 45 age bracket are most likely to be adversely affected by housing access unless appropriate affordable housing is delivered.

10 The Human Rights Commission notes that housing solutions need to be appropriate and responsive to the individual's current and future needs, suggesting that new short-term housing initiatives, for example pop-up housing, may stabilise the housing situation. For some women this could provide support and capacity to continue working and aging in place amongst a supportive community.

(Sources: [Human Rights commission - Older Women's Risk of Homelessness](#) )

#### **Next steps**

15 Invite the Hon. Melinda Pavey, MP Minister for Water, Property and Housing, and the Hon. Rob Stokes, MP Minister for Planning and Public Spaces to Byron Shire to:

- discuss key workers housing stress;
  - visit key Byron Shire Council project sites; and
  - discuss the potential for state government grant funding to support infrastructure delivery needed to facilitate local affordable and diverse housing initiatives already commenced.
- 20

Seek interest from other northern rivers councils about a undertaking a case study of local employer/s facing attraction/retention challenges due to housing unaffordability.

25 Seek cross council collaboration from other northern rivers councils to identify innovative solutions to regional housing affordability challenges that go beyond the current LGA boundaries.

30 Advocate for Federal and State Government to change the policy and regulatory setting to facilitate investment through to councils undertaking development. This could include councils directly facilitating development through planning, providing land, and financial levers such as subsidies and private /public partnerships, thereby providing the private sector with the certainty that it needs to invest confidently in the region.

# BYRON SHIRE COUNCIL

## Strategic Considerations

### Community Strategic Plan and Operational Plan

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
<b>Community Objective 4: We manage growth and change responsibly</b>	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.1	Prepare an Affordable Housing contribution scheme under SEPP 70 to be incorporated in the local planning framework controls (Action in Residential Strategy)
<b>Community Objective 4: We manage growth and change responsibly</b>	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.2	Prepare a report on deliberative development models to facilitate the delivery of accessible housing
<b>Community Objective 4: We manage growth and change responsibly</b>	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.3	Progress future use of Lot 22, Mullumbimby Planning Proposal and Plan of Management

### Recent Resolutions

Res 20-016 20 Feb 2020: progress Tiny House planning proposal - ongoing

5 Res 20-021 20 Feb 2020: progress Short Term Holiday let planning proposal - ongoing

Res 20-365: 13 August 2020: adopt Affordable Housing Contribution Policy - complete

## BYRON SHIRE COUNCIL

### STAFF REPORTS - SUSTAINABLE ENVIRONMENT AND ECONOMY

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*Res19-152: 11 April 2019: progress SEPP 70 Affordable Housing Contribution planning proposal - ongoing*

*Res20-06: 27 Feb 2020: EOI Housing above Council car parks- commenced*

*Res 20-611: 19 November 2020: progress planning proposal Lot 22 – ongoing*

- 5 *Res 20-686: 10 Dec 2020: Adopted Residential Strategy – with the Department of Planning Industry and Environment for review and endorsement.*

#### **Legal/Statutory/Policy Considerations**

Not applicable.

#### **Financial Considerations**

- 10 Not applicable.

#### **Consultation and Engagement**

The report is provided to Council and the community to aid understanding of the housing affordability challenges in the Byron Shire.

**Report No. 13.21 Housing above Council owned Car Parks**

**Directorate:** Sustainable Environment and Economy

**Report Author:** Kylie Grainey, Business Improvement Officer

**File No:** I2021/1145

5 **Summary:**

Council considered and supported a Mayoral Minute on 27 February 2020 give in principle support to establishing affordable housing on Council owned car parks.

Due to COVID-19 restrictions the scope of the resolution was changed to an online expression of interest.

- 10 No formal interest was received through the online submission process, although there were several informal discussions held with registered housing providers. It is recommended that these discussions continue.

15

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**RECOMMENDATION:**

1. **That Council re-confirms the in-principle support to facilitating the establishment of diverse and affordable housing on suitable Council owned car parks.**
- 20 2. **That should discussions with interested housing providers continue, the outcomes be reported to Council, to determine if the project/s have merit and can proceed.**

## Report

Council considered a [Mayoral Minute](#) (8.1) on 27 February 2020 to support housing above council owned car parks. It was resolved that Council:

- 5 1. Support, in principle, facilitating the establishment of diverse, lower cost, and accessible housing on Council owned carparks, without decreasing the current number of available car parking spaces and having regard to the need to avoid negative impact on recent investment in emissions reduction capability.
- 10 2. Extend an invitation to housing providers to a preliminary session to ascertain requirements, possibilities, and challenges for establishing housing above Council carparks, and that:
  - 15 a) This session is to be a 'without prejudice' discussion prior to any activation of a more formal EOI process.
  - 15 b) Council provides for internet-based attendance.
3. Prior to this meeting, create a list of possible sites for discussion and consideration.

20 Due to COVID-19 and in discussion with the Mayor, the resolution was delayed and re-scoped to invite registered housing providers or charitable organisations to submit a five-minute video pitching ideas or examples for a mixture of housing types above Council owned car parks.

25 Following submission of the video, Council staff were to identify possible sites for discussion and consideration, and to investigate the legalities for leasing space above Council owned car parks. Any other planning, legal or public interest matters pertinent to the suitability of the car parks being developed would also be explored by staff at that time.

The Expression of Interest was published on Council's website and sent to 15 registered housing providers within NSW. While there was some interest expressed from local providers, no formal submissions were received.

30 Council is currently pursuing several other [Affordable Housing policies and initiatives](#) such as the Affordable Housing Contributions Policy and Procedure, SEPP 70 Affordable Housing Contribution Scheme and the establishment of a community trust.

35 It is recommended that 'in-principle support' to housing above Council owned car parks be re-confirmed, and discussions continue with interested parties should they wish to pursue this type of development. As part of these discussions' identification of suitable sites and investigation of the legalities of leasing air space above Council owned car parks and other pertinent matters will be undertaken.

## **Strategic Considerations**

### **Community Strategic Plan and Operational Plan**

<b>CSP Objective</b>	<b>L2</b>	<b>CSP Strategy</b>	<b>L3</b>	<b>DP Action</b>	<b>L4</b>	<b>OP Activity</b>
Community Objective 4: We manage growth and change responsibly	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.2	Prepare a report on deliberative development models to facilitate the delivery of accessible housing

### **Recent Resolutions**

- 21-062
- 5 • 21-065
- 21-123 Housing Trust

### **Legal/Statutory/Policy Considerations**

Not applicable to this report.

### **Financial Considerations**

- 10 Not applicable to this report.

### **Consultation and Engagement**

Not applicable to this report.

**Report No. 13.23 Update Resolution 21-062 Council's role in Housing Delivery and Resolution 21-065 Byron Shire's Key Workers Issue Paper**

**Directorate:** Sustainable Environment and Economy

5 **Report Author:** Shannon Burt, Director Sustainable Environment and Economy  
Natalie Hancock, Senior Planner

**File No:** I2021/769

**Summary:**

Council at the Planning Meeting on 11 March 2021 considered two reports:

10 Report No. 13.4 Council's role in Housing Delivery and Report 13.3 Byron Shire Key Workers Issue Paper. The following was resolved respectively:

**Res 21-062**

That Council:

1. Note the staff report on Council's role in Housing.
- 15 2. Request staff to further investigate the Community Land Trust, Live-Work and Restricted Purchase models to see how they can be applied to Council owned land and developments including contributions under a SEPP 70 Affordable Housing Contribution Scheme.
- 20 3. Receive a report by or before mid-year on the findings of 2 with recommendations on the appropriate next steps for application and implementation of the preferred model/s to Council land and developments.

**Res 21-065**

- 25 1. That Council receives and notes the staff report on 'Byron Shire Key Workers Issues Paper'.
2. That Council requests staff to:
  - a) Invite the Hon. Melinda Pavey, MP Minister for Water, Property and Housing, and the Hon. Rob Stokes, MP Minister for Planning and Public Spaces to Byron Shire  
30 to:
    - discuss key worker housing stress;
    - visit key council project sites; and

## BYRON SHIRE COUNCIL

### STAFF REPORTS - SUSTAINABLE ENVIRONMENT AND ECONOMY

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- discuss the potential for state government grant funding to support infrastructure delivery needed to facilitate local affordable and diverse housing initiatives already commenced in Byron Shire.
  - 5 b) Seek interest from other northern rivers councils about undertaking a case study of local employer/s facing attraction/retention challenges due to housing unaffordability. This study to support point d.
  - 10 c) Seek cross council collaboration from other northern rivers councils to identify innovative solutions to regional housing affordability challenges that go beyond the current LGA boundaries. These solutions to support point d and form the basis of pilot projects for the region.
  - 15 d) Advocate for Federal and State Government to change the policy and regulatory setting to facilitate investment through to councils undertaking development. This could include councils directly facilitating development through planning, providing land, and financial levers such as subsidies and private public partnerships, thereby providing the private sector with the certainty that it needs to invest confidently in the region.
3. That Council receives an update report on 2 a-d at the Ordinary June Council meeting.

20 Following from these reports Council at the 8 April Planning Meeting considered Report 13.3 on the creation of a Byron Shire Council Community Land Trust where it resolved **Res 21-123** to 'agree in principle to the establishment of a Land Trust as a Council legal entity to hold land for the development of local housing that meets the needs of the community'.

This report presents:

- 25 • the findings of an investigation into Live-Work and Restricted Purchase models and how these can be applied to Council owned land and developments
- an update on **Res 21-065** Item 2 b, c & d. Item a the invitation to various Ministers to come to Byron Shire remains outstanding due ongoing and ever changing restrictions from COVID.
- 30 • a copy of an application made to the Minister for Local Government to form an affordable housing land holding entity (Attachment 1).

35 It seeks Council support for staff to collaborate as part of the Housing Working Subgroup (HWG) of the Northern Rivers Planners Group for Byron, Ballina, Lismore, Kyogle, Richmond Valley and Tweed Councils to prepare and lodge a submission to the Minister's Regional housing taskforce.

## BYRON SHIRE COUNCIL

### RECOMMENDATION:

1. That Council notes the staff report on Live-Work and Restricted Purchase housing delivery models and how they can be applied to Council owned land and developments.
- 5 2. That Council supports the work of the Housing Working Subgroup (HWG) of the Northern Rivers Planners Group for Byron, Ballina, Lismore, Kyogle, Richmond Valley and Tweed Councils on advocacy and collaboration on innovative solutions to housing affordability.

### Attachments:

10

- 1 Special Disclosure of Pecuniary Interest Annexure for matters relating to environmental planning instruments., E2012/2815 

## Report

### Background

5 Council at the Planning Meeting on 11 March 2021 considered two reports: Report No. 13.4 Council's role in Housing Delivery and Report 13.3 Byron Shire Key Workers Issue Paper and resolved pertinent to this report:

**Res 21-062 - 2.** *a report by or before mid-year on the findings of 2 with recommendations on the appropriate next steps for application and implementation of the preferred model/s to Council land and developments.*

10 **Res 21-065** measures to progress advocacy and collaboration with other Northern Rivers Council to identify innovative solutions to regional housing affordability challenges that go beyond the current LGA boundaries.

15 Following from these reports Council at the 8 April Planning Meeting considered Report 13.3 on the creation of a Byron Shire Council Community Land Trust where it resolved **Res 21-123** to 'agree in principle to the establishment of a Land Trust as a Council legal entity to hold land for the development of local housing that meets the needs of the community'.

20 In actioning **Res 21- 123** for the Byron Land Limited formation, an application has been submitted by staff as per the Local Government Circular to the Local Government Minister, The Hon. Shelly Hancock for an initial review and feedback to Council prior to a determination. Council awaits a response from the Minister in this regard.

This report presents:

- Live-Work and Restricted Purchase models findings
- an update on **Res 21-065** Item 2 b, c & d.

### Live – Work models

25 The Live/Work Co Living model is a setup where a building's bedrooms are private, but nearly all other spaces and facilities are communal. In this arrangement, the building operates as modern "dorms for grown-ups".

30 The Live/Work Co living model continues to move further away from long term commitment with the model evolving from signing a lease to being provided only with a "membership" to provide for a furnished bedroom and common areas. This model is attractive to a young, urban, professional, and mobile population.

35 Under the umbrella of a Live / Work model is an arrangement where your workspace is combined with your living quarters, so you essentially work from home but with a dedicated section for your office. This model is attractive to kitchen-table start-ups and freelancers.

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The model is distinct a shop-top where the residential and commercial activity do not need to be interrelated.

5 The model currently may be applied land with a B4 Zone as mixed commercial and residential activities are permissible with consent.

10 Reforms are underway by the NSW government for the employment zones (i.e. business and industrial zones) and housing diversity. To date it appears no specific definition for live – work models is to be incorporated under these reforms.

15 Under the employment zone reform, a MU – Mixed Use zone is proposed to replace B4 Mixed Use, some B2 Local Centres. This zone is intended to: support a mix of residential, retail, light industry and tourist accommodation; support a genuine mixed-use development rather than one dominant use; and promote activities at ground floor and on street fronts.

20 Under the housing diversity reform consideration has been given to the introduction of a 'co-living' definition indicating such developments share many features with traditional boarding houses, such as small private rooms for one or two people and access to communal living areas and other facilities.

In this context it is suggested Council await the NSW government reforms.

#### **Restricted purchase**

25 Price-controlled dwellings can only be resold at a limited cost or can be made available to purchasers on defined incomes.

30 The idea is that Restricted Purchase housing is made available at a discount, usually because a council or state government provides land at a discount rate. Resale of dwellings in this situation is controlled so that the discount remains in perpetuity to future occupants.

35 This model sits within the *supported homeownership* category of the housing spectrum set out in the NSW government [Housing 2041 - NSW Housing Strategy](#) . It should be noted that the Land and Housing Corporation currently offer this model to select tenants.

40 For council, it appears a restrictive covenant created by s88D *Conveyancing Act 1919* may be a mechanism to apply the model. This provision enables a limit to be set on how a property can be used. The restrictions "run with the land," meaning they apply to all future owners of the property, not just the person who owns it when the restriction is adopted.

[CONVEYANCING ACT 1919 - SECT 88D Regulation of use of land held by a prescribed authority \(austlii.edu.au\)](#)

45 One means to deliver on this model, may be for Council to retain certain affordable housing contribution land or its own land as *Restrictive purchase* properties.

Under this model the steps could entail:

1. Council or a Community Housing Provider (CHP) builds the homes
2. homes are available to rent to qualifying tenants (using current systems in place for determining recipients of subsidised housing)
- 5 3. a secure tenant (say after 3 years) of a *Restricted purchase* property owned by Council or a CHP (*Restricted purchase* landlord) has a right to buy the property – potentially using a share equity scheme (as explained below)
4. the *Restricted purchase* property holds a Restricted Purchase covenant
- 10 5. owner can sell it whenever they like but are bound by the covenant restricted purchase terms.

Thereby establishing a pool of affordable housing under the *supported homeownership* category.

- 15 Shared equity schemes are where the home buyer shares the capital cost of purchasing a home with an equity partner (is this case the potentially the *Restricted purchase* landlord). It can allow **lower income homebuyers to buy sooner** as they need a lower initial deposit and have lower ongoing housing costs.
- 20 The link below also provides to a fact sheet (by Cheshire West & Chester Council UK) giving insight as to how this model may operate.  
[what-you-need-to-know-when-buying-an-affordable-home-031018](https://www.cheshirewestandchester.gov.uk/what-you-need-to-know-when-buying-an-affordable-home-031018)  
[cheshirewestandchester.gov.uk](https://www.cheshirewestandchester.gov.uk)
- 25 It is suggested Council await progression of the affordable housing contribution scheme and Lot 22 rezoning prior to progressing further on a feasibility assessment of a Restrictive purchase program.

### Update on Res 21-065 Northern River Councils Housing Working Subgroup

30 In actioning Res 20-065, Byron Shire Council planners have joined a Housing Working subgroup (HWG) of the Northern Rivers Planners Group – with Ballina, Lismore, Kyogle, Richmond Valley and Tweed Councils - to support advocacy and collaboration on innovative solutions to housing affordability.

35 The HWG held a workshop on 20 May 2021 to share experiences and broadly map out a path for moving forward with two key lead actions resulting:

- 40 • Scoping paper on Northern River Councils based housing initiatives (co-funded by Byron, Ballina, Lismore, Kyogle and Richmond Valley Councils) to summarise existing conditions, identify common threads across the Local Government Areas and recommend priority actions for follow up. The paper also assists by placing a face to the people/workers in our community being affected by housing supply and cost issues.
- 45 • Participating in a NRJO of Mayors Housing Workshop on 18 June 2021 to introduce the HWG. The Mayors in attendance at the NRJO workshop were generally supportive of the group's work to date.

The NRJO participants also received short presentations from:

- North Coast Community Housing
- Housing Industry Australia on industry supply issues
- Regional NSW Executive Director - Ash Albury
- 5 • Queanbeyan-Palerang Regional Council crown land / skills proposal
- Business NSW – issues overview
- Landcom

**Next Steps**

10 The NRJO workshop was held at the same time of an announcement by the Hon. Rob Stokes, MP Minister for Planning and Public Spaces to establish a taskforce to speed up the delivery of homes in regional NSW, as pressure mounts on housing supply outside major cities. The Taskforce will be consulting local councils, communities, industry, and non-for-profit organisations and provide a set of recommendations in early September  
15 2021.

Noting this short timeframe, a few Majors in attendance saw an opportunity for the HWG to assist with a joint submission to the taskforce.

20 Post the workshop it has been announced Garry Fielding will head the Taskforce and submissions are invited by 27 August. More detail on the Taskforce including the terms of reference and councils role can be found in a separate report on the agenda.

**Strategic Considerations**

**Community Strategic Plan and Operational Plan**

<b>CSP Objective</b>	<b>L2</b>	<b>CSP Strategy</b>	<b>L3</b>	<b>DP Action</b>	<b>L4</b>	<b>OP Activity</b>
Community Objective 4: We manage growth and change responsibly	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.2	Prepare a report on deliberative development models to facilitate the delivery of accessible housing

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Community Objective 4: We manage growth and change responsibly	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.3	Progress future use of Lot 22, Mullumbimby Planning Proposal and Plan of Management
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### Recent Resolutions

- 21-062
- 21-065
- 21-123 Housing Trust

### 5 Legal/Statutory/Policy Considerations

Not applicable to this report.

### Financial Considerations

Not applicable to this report.

### Consultation and Engagement

10 Not applicable to this report.

**Report No. 13.24 Responding to our Housing Crisis**

**Directorate:** Sustainable Environment and Economy

**Report Author:** Shannon Burt, Director Sustainable Environment and Economy

**File No:** I2021/1176

5 **Summary:**

This report provides Council with an update on some of the current work of staff to respond to our Housing Crisis.

10

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**RECOMMENDATION:**

**That Council:**

15

1. **Notes that multiple innovative housing initiatives progressing to address our housing crisis have now been stalled/delayed by the DPIE including Lot 22 Planning Proposal, Tiny Homes Planning Proposal, Short Term Rental Accommodation Planning Proposal and Affordable Housing Contributions Scheme (SEPP 70).**

20

2. **Notes that Council is still to receive a response from the Office of Local Government on its submission to the Minister for Local Government to create Byron Land Limited.**

25

3. **Requests the General Manager seek an urgent meeting with the Coordinator General, Planning Delivery and Local Government to discuss 1 and 2.**

30

4. **Supports the work of staff on the Housing Working Subgroup (HWG) of the Northern Rivers Planners Group that is collaborating to prepare and lodge a submission to the Minister for Planning and Public Spaces Regional Housing taskforce and the Parliamentary Inquiry into Options to improve access to existing and alternate accommodation to address the social housing shortage.**

35

5. **Due to the short submission periods of 4, is provided with a copy of both submissions once finalised by the HWG.**

## Report

### Housing initiatives

5 Since 2016, there have been many resolutions passed by the current Council that have highlighted the need to find a way to address housing availability and affordability in Byron Shire.

10 However, due to the current state planning framework, and the constraints in which local government operates in terms of finance and co-investment options for housing development and its associated infrastructure, progress remains slow on delivery of any of the Council initiated projects.

15 Council has an adopted Residential Strategy and policy framework and has multiple innovative housing initiatives progressing to address our housing crisis, which have now been stalled/delayed by the DPIE. These include Lot 22 Planning Proposal, Tiny Homes Planning Proposal, Short Term Rental Accommodation Planning Proposal and Affordable Housing Contributions Scheme (SEPP 70).

[Housing Affordability Initiatives - Byron Shire Council \(nsw.gov.au\)](https://www.byrongov.nsw.gov.au/housing-affordability-initiatives)

20 Just this year, there have been multiple submissions to, and meetings with the DPIE about these projects without resolution; and advocacy direct to various Ministers on same to no avail. This is as disappointing as it is frustrating given the current media coverage on our acute housing stress. Some examples follow:

<https://www.abc.net.au/news/2021-03-01/rental-housing-crisis-in-byron-bay-worsens/13179236>

<https://www.theguardian.com/australia-news/2021/may/29/hollywood-and-homelessness-the-two-sides-of-byron-bay>

25 <https://www.smh.com.au/national/nsw/how-a-perfect-storm-of-covid-19-influencers-and-airbnb-created-byron-bay-s-housing-crisis-20210422-p57lmw.html>

<https://www.abc.net.au/news/2021-04-09/byron-bay-housing-emergency-council-establishes-land-trust/100057680>

30 Housing Affordability Stress Definition: When a household is in the bottom 40% of income distribution and spends more than 30% of household income on rent or mortgage payments, adjusted for household size, they are considered in housing stress. (Australian Housing and Urban Research Institute, 2019)

## BYRON SHIRE SNAPSHOT



- Population 35,773 (ABS ERP 2020)
- 24.5% private rentals
- 73% housing stock detached dwellings
- 3 bedrooms in most dwellings
- Average household size 2.4 persons
- 28% single person households
- Byron Shire LSPS, Byron Residential Strategy, Housing Needs Report

- Projected population by 2036 - 37,950
- Requiring additional 3,150 dwellings
- 74% residents live & work locally
- 15% residents are in housing stress
- Median weekly household income - \$1,150
- Rents increased by 26.4% in last year to \$885 p/w (higher than the median rent in many Sydney suburbs)
- Median house price increases in 2020
  - Byron Bay 37% to \$1.68 million
  - Bangalow 24 % to \$1.175 million
  - Mullumbimby 16.6% to \$830,000
- Managing 4.5 million visitor nights annually



(Source: Landcom)

### 5 Byron Land Limited

In addition to the above, Council at the 8 April Planning Meeting considered Report 13.3 on the creation of a Byron Shire Council Community Land Trust where it resolved Res 21-123 to 'agree in principle to the establishment of a Land Trust as a Council legal entity to hold land for the development of local housing that meets the needs of the community'.

- 10 In actioning Res 21- 123, an application has been submitted by staff as per the Local Government Circular to the Local Government Minister, The Hon. Shelly Hancock for initial

review and feedback to Council prior to a determination. Council awaits a response from the Minister in this regard.

### Housing Working subgroup (HWG)

5 As discussed in a separate report on the agenda, in actioning Res 20-066, Byron Shire Council planners have joined a Housing Working subgroup (HWG) of the Northern Rivers Planners Group – with Ballina, Lismore, Kyogle, Richmond Valley and Tweed Councils - to support advocacy and collaboration on innovative solutions to housing affordability.

10 The HWG is preparing a Housing Scoping report and submissions to the Regional Housing Taskforce and Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage, discussed below.

### Regional Housing Taskforce

15 The Minister for Planning and Public Spaces has announced a Regional Housing Taskforce *“to examine the obstacles in the planning system preventing new housing being brought into the market in the regions, and to identify solutions that will boost supply and encourage greater housing choice”*. This task force is to be headed by a new planning expert with work to commence shortly.

Full details on the Taskforce can be found here: [Regional Housing Taskforce | Planning Portal - Department of Planning and Environment \(nsw.gov.au\)](https://www.nsw.gov.au/planning-and-environment/department-of-planning-and-environment/regional-housing-taskforce)

20 The taskforce membership at this time is limited to senior representatives from relevant NSW Government agencies including the Department of Planning, Industry and Environment and the Department of Regional NSW (DRNSW)

The meetings of the Taskforce may also be attended by non-members, to be determined by way of invitation from the Chair.

25 A series of meetings will be scheduled in key locations across regional NSW to allow key stakeholders such as local government, industry, and the community to inform the Taskforce’s deliberation and consideration of recommendations.

**A call for submissions** has been made to inform the recommendations to Government about changes to the planning system that will assist in delivering appropriate housing in regional NSW **until 27th August 2021**.

30 The Taskforce is to submit a report outlining its findings into the investigation of planning barriers to regional housing delivery to the Minister for Planning and Public Spaces in September 2021, followed by a second report with recommendations to address identified barriers to the delivery of regional housing in October 2021.

35 Following delivery of the reports, the Taskforce will cease to operate unless the purpose and scope of the Taskforce is revised or expanded in consultation with, or as requested by, the Minister.

## BYRON SHIRE COUNCIL

### STAFF REPORTS - SUSTAINABLE ENVIRONMENT AND ECONOMY

13.24

This report to Council seeks support for the Housing Working (HWG) of the Northern Rivers Planners Group to collaborate in lodging a submission to the Taskforce.

The Taskforce's scope extends to investigating planning barriers and developing recommendations to address regional housing issues

- 5 That said, the following provides Council with an indication of key messages to be conveyed in a submission.

Key messages:

- Housing Crisis declaration by Byron, Tweed, Lismore, Coffs Harbour LGAs
- The Councils for Byron, Ballina, Lismore, Kyogle, Richmond Valley and Tweed have formed a Housing Working Subgroup (HWG) of the Northern Rivers Planners Group and are ready and willing to work with the NSW government.
- Federal and state government are falling short in their understanding and support for local governments on housing issues and solutions.
- 15 • Whilst the primary responsibility for housing policy and housing funding (particularly social housing) lies with federal and state/territory governments, local governments may play a role in facilitating housing delivery and retaining existing affordable housing.
- 20 • Endeavours by local government to be more effective in a local housing response are being directly and indirectly constrained by the federal and state government policy, institutional and funding framework.

Issues	Drivers & Barriers	Solutions currently being explored by Councils & local communities
<ul style="list-style-type: none"> <li>• inability for employers to attract and retain key worker (nurses, medical support staff, teachers and child carers, hospitality and retail workers, artists and musicians) due to housing crisis</li> <li>• increasing median property prices</li> </ul>	<ul style="list-style-type: none"> <li>• attractive property investment climate with financial incentives and advantages</li> <li>• return of 'ex pats', international and interstate travellers and residents to their homes</li> <li>• tree and sea changers</li> </ul>	<ul style="list-style-type: none"> <li>• Council specific Affordable Housing Development Policy</li> <li>• Planning Agreements (for planning proposal and development application)</li> <li>• Inclusionary zone provisions (LEP and DCP)</li> <li>• Land Banking sunset clause to activate of land development</li> </ul>

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Issues	Drivers & Barriers	Solutions currently being explored by Councils & local communities
<ul style="list-style-type: none"> <li>• increasing median rents</li> <li>• decreasing private rental vacancies</li> <li>• large deficit in available social housing supply</li> <li>• increasing short term rental accommodation (STRA) use take up by property owners</li> <li>• land supply subject to 'drip release'</li> <li>• land supply subject to land banking</li> <li>• rental supply largely private market driven.</li> </ul>	<ul style="list-style-type: none"> <li>• buying up</li> <li>• part time residents aka FIFO City commuters</li> <li>• status quo of state and commonwealth policy and funding initiatives to incentivise attainable and diverse housing stock</li> <li>• divergent community views on what is, and where affordable housing should be located</li> <li>• local government access to funding to deliver housing and supporting infrastructure.</li> </ul>	<ul style="list-style-type: none"> <li>• Meanwhile Uses (repurposing vacant buildings, interim use of vacant crown and council lands e.g., road reserves, rail corridors for alternate uses such as short term/transitional residential accommodation)</li> <li>• Create a Land Trust entities such as the Byron Shire Land Limited under <b>Res 21-123</b>.</li> <li>• Affordable Housing Contribution Scheme (SEPP 70).</li> </ul>

## **Inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage**

A lack of affordable housing is impacting communities right across NSW.

5 The Committee on Community Services is conducting an inquiry looking at options to improve access to existing and alternate accommodation to address the social housing shortage.

[Options to improve access to existing and alternate accommodation to address the social housing shortage \(nsw.gov.au\)](https://www.nsw.gov.au/affordable-housing/alternatives-to-social-housing)

This inquiry was self-referred on 25 June 2021 with the following terms of reference (ToR):

10 a) options to better support 'meanwhile use' (temporary supportive accommodation), and the current major planning barriers to 'meanwhile use';

b) options to improve access to existing accommodation to provide community housing;

c) options for crisis, keyworker and other short-term accommodation models;

d) barriers to additional supply across NSW, including for smaller non-CHP housing providers;

5 e) support for and accountability of registered community housing providers.

**Submissions directly to the inquiry are due by 13 August 2021.**

Staff are currently preparing a submission to the Inquiry to address the above ToR that will talk to the many recent resolutions of Council and the work of the Housing Working Subgroup (HWG) of the Northern Rivers Planners Group.

10 **Key Issues**

In Australia, housing policy has not been the traditional domain of local government. While councils have a strong role in setting and implementing planning controls, they have not typically been involved in broader aspects of housing policy, which has been the responsibility of the Commonwealth and State Governments.

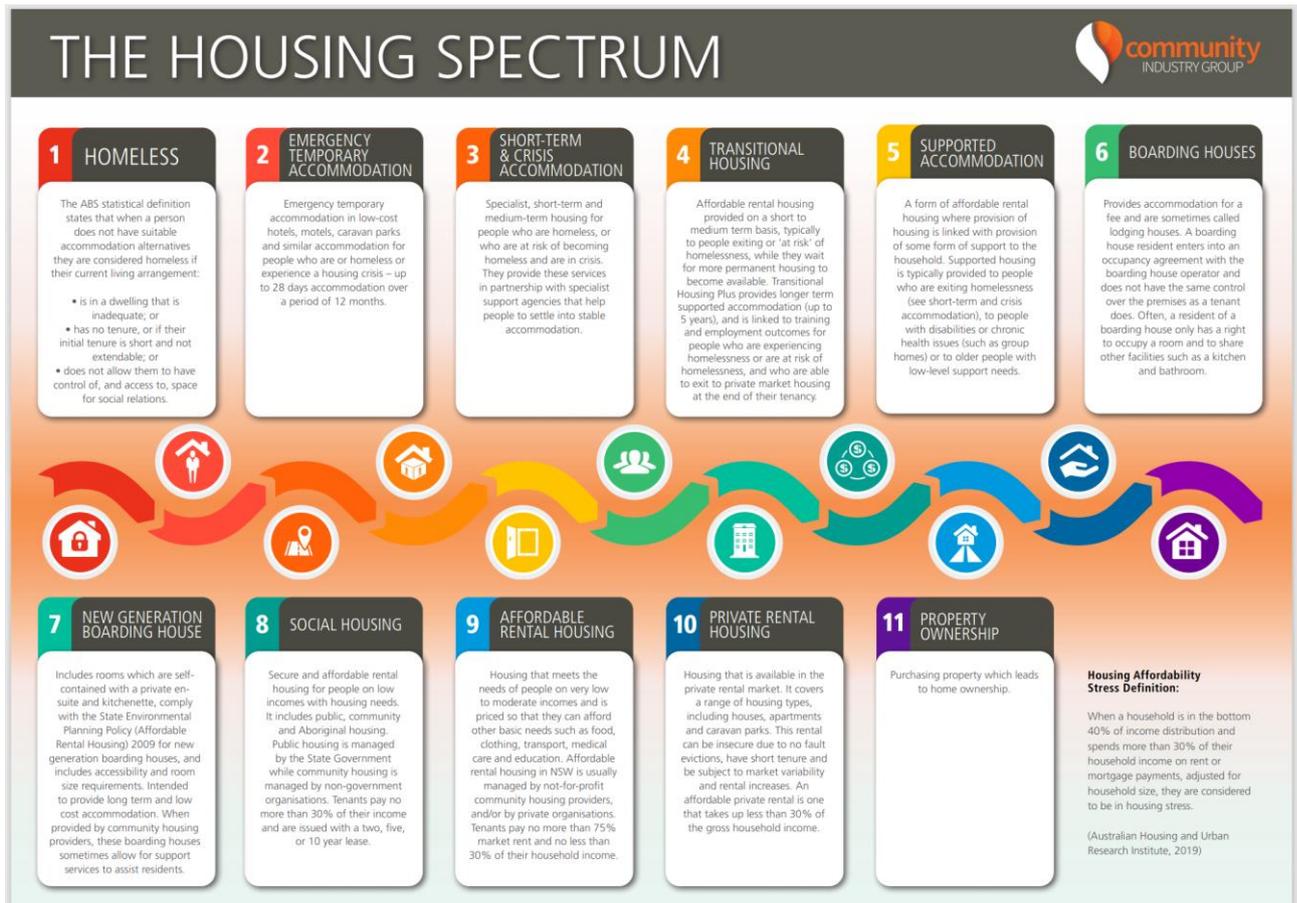
15 Commonwealth and State Government legislation and policy directly influence the provision and cost of housing in Byron Shire.

Commonwealth policy has a major influence on housing supply and demand, through the setting of economic policy, taxation policy, pension benefits, immigration levels, and residential aged care, which in turn influences interest rates, income levels and  
20 employment.

The State Government also sets planning policy, which influences housing provision, through the New South Wales Planning Provisions, including the State Planning Policy Framework and the suite of zones, overlays and other planning controls that are made available to Councils as part of their local environmental plans.

25 Typically, Councils have not been responsible for developing housing but given the current housing crisis many like Byron Shire, are investigating possible options with state government entities and community housing providers. The types of housing that Council could have a role in facilitating on its own land are types 9, 10 and 11 in the Spectrum below.

30 [The-Housing-Spectrum-Information-Sheet-2020.pdf \(communityindustrygroup.org.au\)](https://www.communityindustrygroup.org.au/files/2020/07/The-Housing-Spectrum-Information-Sheet-2020.pdf)



**NSW Housing Strategy 2041**

To respond to the housing crisis, and to assist informed approaches on same, the State Government recently released: NSW housing Strategy 2041 – Action Plan 2020 -22. See link below:

[A Housing Strategy for NSW](#)

The Strategy Action Plan includes actions that look to address issues with the current housing sector and market that need to be resolved in the short, medium, and long term. These are set in in 5 priority areas.

10 Priority Area 1 – Enabling access to and promoting the use of data and evidence-based decision-making

Priority Area 2 – Providing planning, regulation and guidelines to support the NSW Government housing objectives

15 Priority Area 3 – Maximising the impact of government-owned land, investment or assets and government-led development projects or funding to achieve the housing objectives

Priority Area 4 – Establishing a research agenda that invests in best practice and new ways of building and living

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Priority Area 5 – Working with local governments and communities to achieve the NSW Government housing objectives

5 The Housing Strategy also emphasises the need to provide the right housing in the right locations for communities and refers to the Housing Spectrum and planning system changes to do so.

10 The below table summarises the housing types by residents (Spectrum) and the relationship to the planning system and responsible level of government and or agency to deliver. This will be discussed further in the submissions to the Taskforce and Inquiry.

Housing types by resident need	Explanation	<ul style="list-style-type: none"> <li>- Relationship to the ‘planning system’</li> <li>- Key responsibility to deliver and or support</li> </ul>
<b>Crisis housing</b>	Emergency temporary accommodation factors such as: <ul style="list-style-type: none"> <li>* domestic or family violence situation</li> <li>* has custody of children &amp; homeless</li> <li>* natural disasters <sup>1</sup>.</li> </ul>	Delivery largely outside the planning system  NSW Government Department of Communities and Justice (DCJ)
<b>Social housing</b>	Social housing is secure and affordable rental housing for people on <u>low incomes</u> with housing assistance needs. It includes public, community and Aboriginal housing. <sup>1</sup> .	Delivery largely outside the planning system Fed: National rental assistance State: NSW Govt FACs
<b>Affordable rental housing</b>	Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households and priced so that these households are also able to meet other basic living costs such as food, clothing, transport, medical care and education. <sup>1</sup> .	Federal: National rental assistance State: NSW Govt FACs Private rental where the tenant’s rent is subsidised
<b>Private rental</b>	Rental accommodation in the private market even if this rent is subsidised or partly refunded. Historical role as a transitional housing sector for households moving into home ownership or social housing to a long-term housing sector for a significant number of Australian households	Delivery effected by planning system – SEPP enabling STRA Private rental market - in the NSW, most private sector tenancies are regulated by the Residential Tenancies Act 2010 (NSW).
<b>Supported home</b>	A type of home ownership that can take a variety of forms and	Delivery largely outside the

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<b>Housing types by resident need</b>	<b>Explanation</b>	<ul style="list-style-type: none"> <li>- <b>Relationship to the ‘planning system’</b></li> <li>- <b>Key responsibility to deliver and or support</b></li> </ul>
<b>ownership</b>	largely requires innovative financing arrangements to support the buyer to enter the market. Includes (but are not limited to) shared equity arrangements, rent-to-buy models, and co-living arrangements.	planning system  The equity partner assists by sharing ownership, usually up to 30% of the property.
<b>Homeownership</b>	Households who own the property in which they usually reside and have either: <ul style="list-style-type: none"> <li>- owner with mortgage</li> <li>- owner without mortgage</li> </ul>	Delivery effected by planning system
<b>Specialist housing</b>	Accommodation designed for unique needs such as housing for people with <ul style="list-style-type: none"> <li>- disability (including group homes)</li> <li>- older people (such as residential care units)</li> </ul>	Delivery effected by planning system under SEPP
	<ul style="list-style-type: none"> <li>- Vanlife (emerging new form not listed but suggest could fit this category)</li> </ul>	Delivery effected by planning system under SEPP

## Strategic Considerations

### Community Strategic Plan and Operational Plan

CSP Objective	L2	CSP Strategy	L3	DP Action	L4	OP Activity
Community Objective 4: We manage growth and change responsibly	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.1	Prepare an Affordable Housing contribution scheme under SEPP 70 to be incorporated in the local planning framework controls (Action in Residential Strategy)
Community Objective 4: We manage growth and change responsibly	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.2	Prepare a report on deliberative development models to facilitate the delivery of accessible housing
Community Objective 4: We manage growth and change responsibly	4.2	Support housing diversity in appropriate locations across the Shire	4.2.1	Establish planning mechanisms to support housing that meets the needs of our community	4.2.1.3	Progress future use of Lot 22, Mullumbimby Planning Proposal and Plan of Management
Community Objective 4: We manage growth and change responsibly	4.1	Support the visions and aspirations of local communities through place-based planning and management	4.1.3	Manage development through a transparent and efficient assessment process	4.1.3.10	Prepare a Planning Proposal to enable precinct based Short Term Rental Accommodation.

**Recent Resolutions**

- 19-152 SEPP 70
- 20-016 *Tiny Homes*
- 5 • 20-021 *STRA*
- 20-365 *AHC scheme*
- 20-069 *EOI Carparks*
- 20-611 *Lot 22*
- 20-686 *Residential Strategy*
- 10 • 21-062 *Role in Housing Delivery*
- 21-066 *Key Workers*
- 21-112 *Housing Crisis*
- 21-123 *Land Trust*

**Legal/Statutory/Policy Considerations**

- 15 Various statutory controls at state and local levels apply.

**Financial Considerations**

Current and proposed work funded within existing operations budget.

**Consultation and Engagement**

- 20 The report is provided to Council and the community to aid understanding of the housing affordability challenges in the Byron Shire.