

Kiama Central Precinct - submission to Discussion Paper on NSW Housing Strategy

About the Kiama Central Precinct Community Group

I make this submission on behalf of the Kiama Central Precinct (KCP) community group. We operate under the Kiama Council precinct system in an advisory role, helping our members to bring to Kiama Council and other authorities, issues of concern. We provide a platform for residents and ratepayers of the central Kiama precinct to be informed in regard to significant development applications, significant projects, integrated planning and other matters that may affect our community. Our current membership base of over 140 residents and ratepayers bring a range of practical experience and expertise to our group. It includes people with backgrounds from federal, state, and local levels of government in executive management, stakeholder engagement, policy development and service delivery, as well as long-term locals with farming backgrounds and small business owners.

Rational for submission

Members of the Kiama Central Precinct group have repeatedly expressed concerns that over-development is leading to detrimental outcomes for local residents. It is leading to the loss of character and heritage, detrimental environmental impacts, traffic and parking congestion, and detracting from one of the main reasons people visit Kiama – the unique character of our towns and villages, our green and scenic landscape and our numerous historic buildings. These concerns have been formally conveyed to Kiama Councillors and senior council staff, to our local NSW member the Honourable Gareth Ward, and to the Minister for Planning, the Honourable Rob Stokes.

The complexity and distribution of responsibility between authorities to address the above concerns has been a major obstacle in having them addressed. However, we understand that the NSW housing strategy is an important instrument that will underpin the Kiama housing strategy to define how housing needs are met the Kiama local government area. We would like to ensure that the NSW housing strategy does not prohibit but facilitates development that is conducive to our local character, heritage and our unique culture.

What should the NSW Housing Strategy address

Theme 1 – Supply

The subject discussion paper does not give consideration to the implications for the community of *“providing and maintaining legislation, policies and data to **enable the market to develop housing** in the right locations and to an acceptable standard” (discussion paper p6).*

We understand that the Department of Planning Industry and the Environment (DPIE) periodically publish figures on dwelling projections and completions broken down by local government area. These are a useful guide for local Councils, however alone they do not provide clarity around housing supply and demand. In the large *‘market forces’* already determine when, where, and how housing developments take place, resulting in fluctuations in housing availability and/or oversupply.

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A **market based** approach has resulted in a lack of clarity of supply and demand of housing and presented challenges for Kiama council in managing planning outcomes in the best interests of local ratepayers and residents. It has led to parking, traffic and infrastructure requirements lagging behind development with detrimental outcomes for local residents and ratepayers. The capacity limits of local schools, main thorough-fares, and other infrastructure have already been reached or have been exceeded in some cases. More broadly across NSW, market forces have been seen to reduce the quality of housing standards, erode local character and heritage, and to marginalise the homeless and disadvantaged.

A **market led** approach has also contributed to all NSW coastal towns experiencing a rapid increase in short term rental accommodation (STRA). This compounds the above mentioned pressures on local infrastructure. It has also led to significant problems for permanent residents who live in close proximity to STRA 'party houses'. If the Kiama Tourism strategy for promoting year round Tourism opportunities in Kiama is successful the pressures on Kiama's traffic, parking and other infrastructure will only get worse. While the subject discussion paper states that the benefits of STRAs needs to be balanced in consideration of the impacts on local areas, community cohesion and housing availability, no other discussion on how the NSW Housing Strategy should do this is provided.

We agree that it is *"important that industry, government **and community** have a say in crafting the development of a 20 year end-to-end housing strategy which covers everything from homelessness to home ownership"*. However, additional priority actions are needed to ensure a fair implementation of a housing strategy across these three stakeholder sectors. For example:

- Adopt a standardised methodology¹ and tool sets used across NSW to estimating dwelling number projections that encompass greenfield, brownfield and infill sites.
- Include an assessment of supply and demand for STRA in overall dwelling number projections
- Introduce mechanisms to encourage Councils to monitor, publish (in paper and online) and periodically update new dwelling numbers that show how they are tracking against projections
- Introduce measures to place the onus on developers to demonstrate a legitimate requirement for new multi-dwelling development proposals and applications in relation to dwelling numbers published by local councils
- Strengthen controls that developers constantly dispute, including subdivisions, view sharing, height, bulk, etc.

The above actions are aimed at providing clarity around monitoring and reporting of land use requirements and housing supply chains so that that our housing needs are fully transparent and easily accessed. This approach will also allow state and local planning authorities to gain a clearer understanding of how the capacity of infrastructure services (such as schools, roads, highway exit and entry, and utility services) can be aligned with population growth and the release of the new green field sites.

Theme 3 - Housing with improved affordability and stability

With regard to affordable housing, the NSW Housing Strategy should ensure every individual has secure and safe accommodation every night. More and more people from all different walks of life find

¹ such as the Urban Feasibility Model

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themselves without a long term secure place to live. This includes people from professions deemed 'essential' during the COVID 19 pandemic; nurses, emergency services workers, teachers, cleaners, and supermarket employees. We have taken it for granted that they can keep working even though their personal safety is at risk. Paradoxically these people are becoming increasingly vulnerable to homelessness.

In order to address this paradox, housing affordability should underpin all themes within the NSW housing strategy be given the high priority it deserves. The challenge for the NSW Government is that in many NSW towns and cities, and particularly in Kiama, the cheapest housing is already fundamentally unaffordable.

A **market driven** approach to the housing strategy will logically lead to smaller and more simply built dwellings. The market is not the solution because developers expect the highest possible return with the minimal capital outlay. In Kiama poorly designed tiny dwellings have already been built but these are still unaffordable because properties are linked to land value instead of the quality of design and construction.

As the already long waiting list for housing support grows the more expensive it will be to solve. The NSW housing strategy needs to be setting targets that meet the growing demand for social housing, but also reduces the number of people currently on waiting list. Short term thinking based on a **market driven** approach will not address future intergenerational costs of homelessness to society as a whole, such as ongoing income support and downstream health costs. These costs could be avoided if the NSW government were to spend money now to build appropriate well designed and well-constructed social housing. Examples of strategies that could be employed to do so are:

- Engage with directly with the people who need housing to determine the types of housing needed
- Government consider investing in
 - retrofitting existing commercial properties or other buildings that are no longer commercially viable, and
 - properties where owners are struggling to repay mortgages on the condition that they get to stay there forever, but the government owns the house.
- Use of government owned land for development of low cost housing instead of relying on green field sites on the edge of the metropolitan area.
- Reform stamp duty for those on low income such as abolishing stamp duty
- Use a portion of land tax to fund low cost housing to more equitably share the wealth accumulated by property investors.

Theme 4 - responsive and resilient housing

The impact of the recent widespread bushfires and the COVID-19 pandemic have had immediate, and possibly long-term repercussions for all NSW residents. Further, damage from coastal storms to beach front property and infrastructure is becoming increasingly problematic.

The discussion paper acknowledges these risks. However, a stronger message is required to ensure that appropriate and robust actions are included in the NSW housing strategy. For example, on page 78 "4.4 Support housing and residential precincts that are responsive to natural hazards". The examples given as per below **should be mandated in legislation** as a priority (not just things that could be considered):

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- using bush fire-resistant materials and designs
- using light coloured roofing to minimise heat
- raising floor levels that may flood
- using heat resistant materials in telecommunications or electrical equipment
- using roofing materials that reduce impacts of hail damage
- using the planning system to locate new housing away from flood-prone land or land at risk from bushfires and other natural hazards
- designing the landscape around housing to provide shading and reduce temperatures.

The discussion paper does not adequately address the inability of the public, the business sector or local councils to adequately insure property and infrastructure, as the risks of bushfires, floods, rising sea-levels and increased intensity and frequency of storms escalate. The insurance industry contributes to management of society's risk from bushfires and extreme weather related damages. In 2009, the peak body for the insurance industry, the Insurance Council of Australia (ICA), noted that: *"Within the Greater Sydney region (Newcastle to Wollongong), 46,000 addresses are identified as being within 1km of the shoreline and with elevations less than 3m"* (Standing Committee on Climate Change, Water, Environment and the Arts, 2009, p. 114)². As the climate changes and becomes less predictable the capacity of insurers' to assess, price and spread weather-related risk is an ongoing challenge, particularly in the coastal communities such as Kiama (Standing Committee on Climate Change, Water, Environment and the Arts, 2009, p. 122)².

Reforms to the building certification model

The current use of private certifiers has significant flaws that are repeatedly exploited to the financial gain of developers and significant loss to residents and the broader community. In Kiama, building quality is deteriorating. In one case a multi-story shop top apartment opposite Surf Beach had to be evacuated for several months while structural repairs were undertaken. In addition, private certifiers have used flaws in the system to allow demolition of stately heritage homes eroding the local charm and character of the town.

Being a coastal settlement, Kiama is vulnerable to extreme weather events and east coast lows. The cyclones of 2013 and the east coast low of 2016 are just two examples where extensive damage to private residents has occurred.

Additional priority actions are needed to ensure dwellings are safe and built to a high standard. For example:

- Introduce planning controls to restrict development on coastal foreshores as well as planned retreat or buy-back schemes for existing dwellings.
- Introduce controls and/or penalties to ensure developers are accountable and responsible should the safety of future residence be threatened.

² Standing Committee on Climate Change, Water, Environment and the Arts, 2009. Managing our coastal zone in a changing climate: the time to act is now. The Parliament of the Commonwealth of Australia, Canberra.

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- Revise building standard codes to ensure quality standards for housing development is adequate and in keeping with local character.
- Extend building code requirements for cyclone prone areas to apply all along the NSW seaboard.
- Introduce reforms to the building certification process to address current inadequacies and to ensure housing developments can be adequately and independently assessed and building codes enforced.
- Introduce and strengthen state wide controls to ensure the heritage and character of regional and coastal towns and villages are preserved.

Summary

The KCP acknowledge that the NSW housing strategy is an important instrument that will underpin the Kiama housing strategy and determine how development and housing is managed in our local government area.

In our experience, the complexity and distribution of responsibility between authorities to address local community concerns has been a major obstacle and contributed to frustrations within the community. There is a growing sense of apathy as our members do not believe their concerns, aspirations and objectives will be genuinely, fairly and adequately factored into planning decisions, either at a local or state government level.

The KCP would like to see mechanisms and instruments introduced to:

- Preserve the unique local character and heritage of regional and coastal communities.
- Strengthen and expand monitoring and reporting of housing supply and demand across NSW to provide clarity to all planning authorities.
- Ensure the needs of all stakeholder groups (Industry, Community and Government) are fairly considered in the NSW Housing Strategy.
- Government investment in low cost housing rather than relying on the market
- Strengthen controls to ensure developers are more accountable for the quality of buildings and for maintaining local character and heritage

Yours sincerely

Karen Lang

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