

8/11/96

Rebecca Richardson

Senior Policy Officer

"Office on Housing Policy". (DOHP) (OHP)
(Also Phillip Davis)

1 Informal "exploratory" meeting
Under the "Ministerial Task Force on Housing".

Targeting: private sector housing
non housing assisted housing

Structure has been to construct Work Groups
to look at particular issues.

These groups may meet once only.
So far there has been 2 Work Groups meetings.
Current aim is

There is a "Non Metropolitan Housing Work Group".
Chaired by ? of LGPA.

Addressing - natural growth areas
- the servicing of assisted housing

^{SEP}
Three target groups meeting in sep sessions on
21st 11th.

1st session 11.30 - 1.30

• experience of Councils in meeting their
needs? ^(invited) Govt, etc

1 | Expect 15 attending this session - incl NOROC,
DOHP, LG's Lincs, Grafton, Ballbray, Richmond, Kyrle,
Tweed etc.

○ | Accepted that Pan Com be rep.

My Address given & self as Ex. Officer.

○ | This Work Group Target (& perhaps all Groups)?
 forgetting to have feed back by
 mid 1997. It is not expected
 or planned at this time for there to
 be a publication of the findings,
 or recommendations

○ | Vene - his Council (as far as she knows)
 Council sought to host this event. Seen by
 Tricia as a scamozel!! Knefer's reaction.
 She asked what she needed to prepare & they said
 "nothing".!

of OHP.

Stephany Smith contacted Tricia
Meeting at Council.

11:30 / 3:30 incl lunch

Prln Dept.

G.M. committed elsewhere (with Di)

Nick may not attend.

Tricia invited 11:30 - 3:30 NB.

Council asked to provide lunch via letter of 7 Nov!!!

On Shelter
Adam Farrar - Ex off National Housing Forum.

02-9360-5944

Rod Plant - Ex officer - Shelter 9267-5733

4 people attending (1 being Adam)

Rebecca Richardson 02-9228-5184
Sen Policy Officer
"Officer Housing Policy" (DOAP)

DOAP "Office of Housing Policy"
Philipa Davis

Jill attending lunch "person"

And to Jan

Equity in housing - ownership not just tenancy.

LGSA Letter.

- constraints (to) purchase & rental.
- strategies (in place) at local & region level
- housing demands & affordability

Summary of Task Force (1p)

- 12 month to June '97.
- Housing Policy Green Paper Dec 1995.
- to be - forum for ideas
- to provide advice to government on policy & strategies
- to determine priorities
- to locate 'barriers' to affordable and appropriate housing
- to provide advice on factors impacting on cost and supply of housing

Terms of Reference

- to provide a forum for govt. consultation with private sector and local govt.
- to facilitate effective responses by the industry to the housing needs of residents of WNW.
- to advise the Minister on constraints to affordable & appropriate housing
- to explore ways of promoting affordability and choice without the need for additional govt. subsidies.
- to identify and investigate availability of affordability of appropriate housing including planning, letting, construction techniques

- To identify best practice models which demonstrate community acceptance of affordable housing initiatives.



LOCAL GOVERNMENT and SHIRES ASSOCIATIONS of NSW

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Phone (02) 9242 4000 • Fax (02) 9242 4111 • E-mail lgsa@lgsa.org.au

Our ref: R90/0127
Further contact: Stephanie Smith
1 November 1996

Mr Ken Gainger
General Manager
Lismore City Council
PO Box 23A
LISMORE NSW 2480

Dear Mr Gainger

LISMORE CITY COUNCIL RECEIVED	
- 4 NOV 1996	
FILE NO. P558	
LETTER NO. 96-17737	ALLOG. CSAM

THIS WAS SENT BY FAX
ON ... 1/11/96...
AT AM/PM

I am writing to ask if your council would host a housing forum meeting on Monday 11 November 1996. The meeting is planned to run from 11.30am to 3.30pm and it is anticipated that there will be approximately 20 people. It would be appreciated if we could utilise your meeting room facilities and ask you to organise a light lunch. The Office of Housing Policy will cover the cost.

The Local Government and Shires Associations is presently committed to participating on the Ministerial Taskforce on Housing. Established by the Minister for Housing, the Hon Craig Knowles MP, for a period of twelve months, it aims to establish a forum through which State and Local Government and the private sector can canvas housing issues and identify strategies to address housing needs in NSW. I have attached some additional information.

The Taskforce is keen to explore non metropolitan housing issues and is interested in identifying housing issues that are prevalent on the Far North Coast. In particular, we are interested examining

- linkages between economic development, housing provision and the role/s of Local Government
- constraints that exist on the present housing market, both the home purchase and rental markets
- strategies that have been implemented at the local and regional level to address housing demands and housing affordability objectives.

A range of councils are to be invited, as well as representatives from the Premiers Department, the Department of Urban Affairs and Planning and the Regional Development Board. Trisha Shantz and Nick Juradowitch from your council have expressed interest in attending the meeting.

The meeting planned for Monday 11 November will be an information gathering exercise that would provide the foundations for a broader forum in the future.

Your assistance would be appreciated. If you require any further information please contact me on phone (02) 9292 4000.

Yours sincerely

Murray Kidnie
Secretary

LOOSE PAPER to	CSAM
File is out with	TRU
Deletions required to return to records.	
ACTION (to M/L) for N.A.R. or	
RECOMMIT ON	
Signed	Date 7.11.96

MINISTERIAL TASK FORCE ON HOUSING

Summary of Role

The establishment of the Ministerial Task Force on Housing, for a twelve month period to June 1997, was a key initiative of the Housing Policy Green Paper released by the New South Wales Government in December 1995. The Task Force provides a forum through which State and Local Government and the private sector can work together to address housing issues and identify strategies to address housing needs in New South Wales.

The Task Force is seen to have a two-fold role as a forum for ideas and a vehicle for providing advice to government on housing market issues and strategies. The focus of the Task Force is the private market and it has a broad ambit under its terms of reference (attached) within which it will determine priority areas to be addressed.

Membership of the Task Force, chaired by Professor Julian Disney, is drawn from the development, real estate and financial services industries, State and Local Government, NSW Shelter and recognised housing experts.

The Task Force will examine the barriers to the provision of affordable and appropriate housing and provide expert advice on policies and strategies to address housing, particularly in light of the Commonwealth reforms to the delivery of housing assistance, and their potential impact on the housing market. The initial focus of the Task Force will be to provide advice on factors impacting on the cost and supply of housing, including issues relating to finance and taxation, construction and the labour market, planning and regulation and implementation. Priority areas for early attention have been identified with working groups established at the first and second meetings. These groups are addressing the following areas:

- Industry / Labour Market Practices
- Design, Construction and Community Preferences
- Private Rental Market
- Non-profit and Partnership Options
- Home Ownership and Innovative Tenure
- Non-metropolitan Housing Issues

**MINISTERIAL TASK FORCE ON HOUSING
MEMBERSHIP PROFILE**

Housing and Finance Industry

1. Housing Industry Association
2. Financial Institution
3. Real Estate Industry
4. Development Industry

Peak Organisations / Experts

5. Shelter NSW
6. Land and Housing Economist/Expert
7. Architect
8. Labour Market Expert
9. Union Representative
10. Housing Economist

Local Government

11. Local Government practitioners
12. Institute of Municipal Management/General Manager
13. Local Government and Shires Association

Other Government

14. Office of Housing Policy
15. Department of Urban Affairs and Planning/Landcom
16. Department of Housing
17. Home Purchase Assistance Authority
18. Department of Fair Trading

MINISTERIAL TASK FORCE ON HOUSING

TERMS OF REFERENCE

Role and Purpose

The Task Force will provide a forum through which the State Government can work in partnership with the private sector and local government to promote and facilitate more effective responses by the market to the housing needs of residents of New South Wales.

The role of the Task Force is to provide advice to the Minister on factors which constrain the market's ability to provide affordable and appropriate housing, and to explore ways of promoting greater affordability and choice in the housing market without the need for additional government subsidies.

Terms of Reference

1. To identify and investigate factors impacting on the availability of affordable and appropriate housing, including planning, administrative and titling issues, service charges, the development process, construction techniques, developer risk and financing issues, and the business environment.
2. To explore the feasibility of strategies and programs to involve local government and the private sector in promoting and providing a range of housing.
3. To investigate the feasibility and market acceptance of a range of possible approaches by industry and local government aimed at promoting housing affordability and choice.
4. To identify opportunities for introducing measures to facilitate greater housing choice and affordability in response to identified needs and local conditions.
5. To identify opportunities for best practice models and pilot projects which demonstrate the market feasibility and community acceptance of affordable housing initiatives.

Peter Fildes 1

**MINISTERIAL TASK FORCE ON HOUSING
NON-METROPOLITAN HOUSING WORKING GROUP**

NORTH COAST VISIT

AGENDA

Lismore City Council

November 11 1996

11.30 a.m. - 1.30 p.m. or

1.30 p.m. - 2.30 p.m. or

2.30 p.m. - 3.30 p.m.

1. Background and role of the Ministerial Task Force on Housing.
2. Introduction to Working Group on Non-Metropolitan Housing Issues.
3. Identification of key housing issues on the North Coast and priority areas.
4. Identification of possible responses by both government and the private sector and areas for further work.
 - What can local government do?
 - How can the state encourage appropriate local responses?
 - Regional benefits?
5. Next steps - future action?

MINISTERIAL TASK FORCE ON HOUSING

Issues for consideration on North Coast

Introduction

The Ministerial Task Force on Housing has been established for a period of twelve months (to July 1997) as a forum for the NSW Government to work in partnership with the private sector and local government to promote and facilitate more effective market responses to housing needs in New South Wales. The Task Force is primarily concerned with the private housing market, which is responsible for housing over 90% of NSW residents.

The Task Force will identify factors impacting on the private sector's ability to provide affordable and appropriate housing, and provide expert advice to the Minister on initiatives to promote better housing outcomes.

In establishing the Task Force, the Minister is seeking specific outcomes in the form of housing strategies and initiatives, improved qualitative and quantitative information to guide policy development, and models of best practice.

Membership has been drawn from the housing industry, financial institutions, peak organisations, housing experts and state and local government. In the course of its work, the Task Force will also be drawing upon the expertise and experience of a range of participants in the housing market and representatives of local government.

At this stage, the Task Force is exploring key housing issues from the perspective of the private sector and local government, as the first step toward determining priority areas for fuller consideration and action.

Input from a range of North Coast organisations is requested to assist the Non-Metropolitan Housing Issues Working Group of the Task Force in identifying key issues and exploring possible options for addressing these issues.

Questions for consideration

- What difficulties are being experienced by local government in responding to the housing needs of existing and future residents?
- Which sections of the community are in greatest need? How are housing needs changing?
- What are the main factors constraining the market's ability to provide affordable and adequate housing?
- Is medium density development occurring? Is it affordable? Is it located close to transport and services?
- Is there sufficient rental housing available? What is the impact of tourism on the housing market? *stock*

- What will be the likely impacts of the proposed Commonwealth's reforms to the delivery of housing assistance? (See attached for details).
- How do housing issues vary between rural and urban areas?
- What are the priority issues?

Possible responses

- What incentives could be offered to encourage the private sector to provide more affordable and appropriate housing?
- Could local government play a more active role in housing, for example by providing greater opportunities for affordable and adequate housing in their areas, or by actively seeking out and encouraging developers to undertake appropriate housing projects in well located areas? *1/4 owner builders.*
- How could the state government work in partnership with local government and the private sector to achieve housing objectives?

DEPARTMENT OF URBAN AFFAIRS AND PLANNING

OFFICE OF HOUSING POLICY

MINISTERIAL TASK FORCE ON HOUSING

BACKGROUND PAPER

Introduction

c/sd
The establishment of the Ministerial Task Force on Housing is a key initiative of the **Housing Policy Green Paper** recently released by the New South Wales Government. The Green Paper identifies the Government's strategic directions for housing and puts forward a range of issues and suggested reforms for discussion with the community and stakeholders. In addition to proposing a number of strategies relating to the provision of housing assistance, the Green Paper emphasises the **role of the private sector** in meeting the **housing needs** of the New South Wales community.

The establishment of the Ministerial Task Force on Housing will enable the Government and the **private sector** to work in **partnership** to address the housing needs of New South Wales. The Task Force will play a **key role** in **identifying barriers** to the provision of **affordable** and **appropriate** housing, offering expert advice on policies and strategies to address housing needs.

An important responsibility of the Task Force will be to determine the **scope** and **directions** for a **comprehensive Housing Markets Strategy** to be developed by the **Office of Housing Policy**. Expert advice supplied by the Task Force will ensure that this strategy will provide a framework for dealing with the range of issues affecting the **market's ability to respond** to the **future housing needs of NSW**. **Membership** of the Task Force will be drawn from the development, real estate and financial services industries, as well as all levels of government and **peak groups**.

Purpose of the Task Force

The Task Force will:

- enable all stakeholders in the housing industry to better understand the **barriers** to provision of housing which is **affordable** and meets the needs of New South Wales residents,
- provide Government with improved **qualitative** and **quantitative** information to assist in the development of policies on **affordable** housing,
- provide the private sector and local government with the opportunity to **collaborate** with the New South Wales Government to address housing issues, and
- identify **strategies** to address housing needs in New South Wales.

The proposed Terms of Reference for the Task Force are attached at Appendix A.

Context

The **ability** for housing in New South Wales to meet the **needs** of the state's existing and future **residents** is subject to a range of pressures and wider influences. New South Wales is **experiencing** overall (but not uniform) **growth** and an increasing diversity of housing **needs**. These factors are coupled with mounting concern about the **environmental** and **social impacts** of continued urban expansion. At the same time housing **affordability** remains a **critical** issue for New South Wales where affordability levels are lower than elsewhere in Australia.

While the role of housing assistance programs such as public and community housing is important, the majority of New South Wales residents (93% of households at 1991 Census) **rely** on the **private sector** to meet their housing needs.

The Housing Policy Green Paper recognises the significance of the role played by the private sector in providing housing, and the influence of local government on housing market outcomes. The Task Force will provide the primary forum through which the Government will work collaboratively with the private sector and local government to achieve greater affordability and choice in the housing market.

Some of the other key factors which will provide the context for the work of the Task Force are outlined below.

Urban Policy Framework

The New South Wales Government aims to promote housing affordability and choice within the broader framework of integrated **urban** management and the key goals of the Metropolitan Strategy, *Cities for the Twenty First Century*.

By SEPP?

✓ Local government plays a critical role in influencing housing provision and achieving objectives for housing. Close contact with the community means that councils are well placed to understand and respond to housing needs in their local area. Control of the housing regulation and approval processes means that councils also have a significant impact on development outcomes.

In some local government areas, regulatory practices have increased housing costs, while others have been innovators in their approach to affordable housing. The Task Force provides an opportunity to review these actions and promote successful, innovative approaches.

Detail Document

Social and Demographic Change

Significant changes in the cultural mix and lifestyle of the population, together with demographic factors such as the rising proportion of older people, and the increase in single parent and smaller households, have resulted in a growing diversity of housing needs.

These changes have a direct impact on the suitability of our housing stock to meet residents' needs in terms of housing form, location and access to jobs and services, having regard to household size, stage in lifecycle and prevailing community standards. When it is said that housing is 'appropriate', what is meant is that housing is responsive to these factors and forms a key part of vital, sustainable communities.

II

Affordability

Housing affordability refers to the capacity of a household to meet initial access and ongoing costs associated with their housing.

New South Wales, and Sydney in particular, has the highest house prices in Australia. Whilst there has been some stabilisation in recent months, home purchase affordability declined by 28% over the year to June 1995. During the twelve months to June 1995 residential rents in New South Wales increased by approximately 3% overall, and rent levels for smaller dwellings in Sydney increased by about 6%. Furthermore, the housing industry in NSW is characterised by significant volatility and affordability indices often show wide fluctuations.

In addition, over recent years many traditional housing options for low income earners such as boarding houses have declined due to pressure to redevelop to more profitable uses. This is coupled with rising development and building standards for new housing which further reduce affordability.

Other factors contributing to the low levels of affordability include:

- social, environmental and servicing considerations which limit the availability of additional land for housing and in turn place pressure on the price of urban land,
- the generally conservative nature of the development industry and its emphasis on using traditional products and building techniques, and

- labour market practices which tend to disadvantage multi-unit housing through adoption of higher commercial rates for this form of construction.

The Task Force on Housing will provide a forum through which these and related issues can be assessed and mechanisms identified to facilitate affordable and appropriate housing provision.

Tasks

It is anticipated that the Task Force will develop a work program after examining key issues and identifying priorities for consideration. In addition to any specific matters raised by members, it is proposed that the Task Force will address the following areas:

- factors impacting on housing provision and affordability
- financial/taxation issues and initiatives
- construction/labour market issues
- cost effective, energy efficient design
- development and feasibility issues
- options for local government
- community, industry and local government awareness

Membership

In order to gain the widest possible input into the complex issues relating to housing affordability, expertise from various sectors of the housing industry and from relevant government agencies is required. The Task Force membership includes representatives from the development, real estate and financial services industries, along with representatives from the three levels of Government and the peak consumer bodies.

A member profile is attached at Appendix B.

Operation

It is proposed that the Task Force meet for a period of twelve months, during which time it will be responsible for determining its work program and frequency of meetings. It is anticipated that in some areas smaller working groups will be formed to undertake specific work. The Office of Housing Policy will work closely with the Task Force and will assist in servicing the Committee.

APPENDIX A

MINISTERIAL TASK FORCE ON HOUSING

TERMS OF REFERENCE

Role and Purpose

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5. To identify opportunities for best practice models and pilot projects which demonstrate the market feasibility and community acceptance of affordable housing initiatives.

APPENDIX B
MINISTERIAL TASK FORCE ON HOUSING
MEMBERSHIP PROFILE

Housing and Finance Industry

1. Housing Industry Association
2. Financial Institution
3. Real Estate Industry
4. Development Industry

Peak Organisations / Experts

5. Shelter NSW
6. Land and Housing Economist/Expert
7. Architect
8. Labour Market Expert
9. Union Representative
10. Housing Economist

Local Government

11. Local Government practitioners
12. Institute of Municipal Management/General Manager
13. Local Government and Shires Association

Other Government

14. Office of Housing Policy
15. Department of Urban Affairs and Planning/Landcom
16. Department of Housing
17. Home Purchase Assistance Authority
18. Department of Fair Trading

DEPARTMENT OF URBAN AFFAIRS & PLANNING
OFFICE OF HOUSING POLICY

HOUSING ASSISTANCE REFORM

The Commonwealth and States are examining proposals for the most extensive reforms of housing assistance since 1945. The Office of Housing Policy, in the Department of Urban Affairs and Planning, has the major responsibility for advising the New South Wales Government on the reform proposals.

Since 1945, housing assistance has mainly been funded through the Commonwealth-State Housing Agreement. This Agreement involves the Commonwealth and each State providing grant funds for housing programs. In 1996/97, the Commonwealth will contribute \$1,068 million, and the States \$427 million. The equivalent figures for New South Wales are approximately \$340 million and \$140 million.

These funds are used for a variety of housing assistance programs, including the construction and purchase of public, community and Aboriginal housing; improvement of existing housing stock; initiatives on the major housing estates; and recurrent programs such as headleasing and community and tenant participation initiatives. The current CSHA runs for 3 years from July 1996, although at this stage the Commonwealth has committed funding only for the first year.

The Commonwealth is now proposing to cease the payment of grant funds for housing assistance under the CSHA, with the exception of the Aboriginal housing program. Instead, the Commonwealth is proposing to make housing subsidy payments to public and private renters who are in receipt of social security payments. States would then be responsible for the planning and delivery of housing services.

The Commonwealth has set out four key objectives for these reform proposals:

- to achieve better client outcomes, including enabling people in similar circumstances to afford housing of a similar standard.

- A clear separation of the roles and responsibilities of the States and the Commonwealth.
- A reduction in the disparity in subsidy levels between public and private renters, to provide choice and introduce competition between providers.
- New funding and delivery arrangements to promote micro-economic reform.

Under the proposals, the Commonwealth intends that all tenants (public, community and private) would pay market rents. A subsidy would be provided to social security recipients as a contribution towards the rent.

In principle, this subsidy should allow these tenants to rent an appropriate home - in terms of size and standards - to meet their needs, at an affordable level. A phased introduction of the scheme for private tenants is being considered, involving a move to achieve an affordability target over time.

The Commonwealth has promised that existing public tenants will not be financially disadvantaged by the reforms; and that new public tenants should not have to pay more than 25% of their income in rent.

The major purpose of the reforms, from the Commonwealth's perspective, is to move towards equal subsidy levels for public and private tenants; to give low income people more choice; and to reduce pressure on public housing waiting lists. To generate the additional funding to increase rent assistance for private tenants, the Commonwealth will use the current funding under the CSHA, and will reduce general financial assistance to the States.

Issues for New South Wales

The New South Wales Minister for Housing, Craig Knowles MP, has expressed considerable concern at the Commonwealth's proposals. The New South Wales Government supports greater choice for low income tenants and improved affordability for private tenants, but not at the expense of a well resourced public and community housing sector.

The Minister's major concerns are:

- To ensure that the subsidy level is adequate for public and community housing in well-located areas. In recent years, there has been an emphasis on ensuring that public housing tenants have access to community facilities and employment opportunities. The NSW Government is

electoral

determined to protect well-located housing to meet current and future needs.

- Securing an adequate subsidy level for private tenants to give reasonable affordability and access, particularly in the Sydney market.
- To ensure adequate arrangements for the future supply of housing for low income people. The Commonwealth has asserted that investors in private rental accommodation will increase the supply of housing to meet additional demand. However, there is little evidence of individual investors or institutions targeting rental housing for low income people. There is a real concern that rents might be driven up in the tight Sydney market. New South Wales will be advocating an explicit housing supply strategy to accompany the reforms.
- Securing a funding source to continue the ambitious program of improvements to public housing and initiatives on public housing estates. It will be crucial to ensure that public housing tenants receive an improved quality of service.

The New South Wales Government will be closely involved in discussions and negotiations on the reform proposals, to achieve improved housing opportunities for the community. The Minister will be consulting with housing interest groups to share information and develop the New South Wales position.