

FAX DOCUMENT FROM PETER HAMILTON

1/50 Paterson Street, Byron Bay, 2481 (066) 858 648 (F/T)

TO: Simon

FAX No: DATE: 11-11-96

Number of pages (including this sheet): 7

SUBJECT: ABC Interview 12-11-96

COMMENTS:

Herewith my notes on the meeting

Cath Duncan rang me while I was out and said she'd ring back but has not done so. I left a message on her home(?) number 252667 to ring you at home in the morning. Her work number is 251188.

No doubt she will come up with questions, but if not I think you can frame your own.

It is now OK to quote from any of the material I earlier sent you.

Have fun

Peter

2nd meeting - Session 1

Murray Kidne

Adam Farrar

Rebecca Richardson Community Housing. Shelter.

Theresa

Nick

4+12

David

David

Grafton

Kyng

Charles

Wood.

1000 on the waiting list in total.
What are issues?

Session 1 ^{Sept 14}

? How big is the issue of housing to Council?

Craig. discrimination against disabled, low income, etc.
Income, low. Housing Coop.
Can't afford private rental houses
Caravans not adeq.

Varley - social housing.

Issues caravan park,

cost of land

quantity of house, transient.

ESD.

Social Housing

Diversity of use.

Need to survey

"appropriate housing"

← LSC Addition

← ABC Stop R/Man night.

Wln. TFOH.

Sid.

✓ Lee	✓	
- ✓ Graham	✓	
- ✓ Eddie		
- ✓ Alan		
✓ Simon	✓	
✓ Di	✓	
Celine/Having	-	-
Karabey	-	-
Big Pictures	-	-
Cohen	-	-
Care		

Advised to use LSC stuff
TRM 10.30pm Alan.

~~ABC 8.30-11.00 am~~
Karl D.

Affordable infrastructure in his 30% / c. 94 + 964
Infrastructure must be upfront
£14,000/block in his

Balleria land £65,000
Byron 50,000+
Carino 30,000
Suffolk 80
Lis 45.
Ruckan coast 60.
intend 20-45

his targets 100% recovery via 94 + 964.
Would mostly retired moving in

David/Byron / ^{Horne} land is restricted - s. likely to
push land up strap & no rental avail
What is relationship between land release & the
~~type of~~ impact on house type
built there.

Nick - private dev. will not be into ~~app~~ building low rental
housing. Private - neighbour street.

2. Sp response to

What can state go do to bridge low income old
beside upper income.

Nick Rental subsidy may work for middle income not low
kind of "Not waiting low income people."

Syd.

Where are "squatters" settlements to be placed.

Nick strong proposal work work.

Private set want solve housing/low rental.

Note Council could become a developer
Not just conservative developers
but cons. clients.

his 10% reduction of fees for smaller lots but
dls did buy it

Vanclay
"life cycle housing"

ParCom is a peak organisation
representing low-cost, self-help
owner-building ^{in rural areas} on the North Coast.
{ home-owners }
Housing on shared land ...

1990-92 (inc) . DA = 67 sites = 670

NA Not 100% developed.

1992-1994. DA = 16 sites = 56
DA = 73 sites = 726
Saty $70 \times 10 = 700$ sites
 $= (9.9 \text{ sites/yr}) \text{ say } 10$

1994 NWC = 251 mo's

NC = 80% = 200 mo

(64 mo = LSC.)

Size As. 10-80 ha. As 10 dwelling, (9-12)/mo
say 1000-1500

MINISTERIAL TASK FORCE ON HOUSING
NON-METROPOLITAN HOUSING WORKING GROUP
NORTH COAST VISIT

1
Pat Yodanis
11/28/96
MASTER-FAK

AGENDA

Lismore City Council
November 11 1996

Session 1 11.30 a.m. - 1.30 p.m. ~~or~~
2 1.30 p.m. - 2.30 p.m. ~~or~~
3 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?

- 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?
- 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

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*.

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.

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.

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

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 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.

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

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.

#



LOCAL GOVERNMENT and SHIRES ASSOCIATIONS of NSW

GPO Box 7000 SYDNEY NSW 2001 • 215 Clarence St SYDNEY NSW AUSTRALIA
Phone (02) 9242 4000 • Fax (02) 9242 4111 • E-mail lgasa@lgasa.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. P553	
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
Filed out with	TRV
Helen has applied to return to treasury	
A. J. O. N. A. R. or	
SIGNED ON	
Signed	Date 7/11/96

MINISTERIAL TASK FORCE ON HOUSING
MEMBERSHIP PROFILE

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- 2 Financial Institution
- 3 Real Estate Industry
- 4 Development Industry

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- 7 Architect
- 8 Labour Market Expert
- 9 Union Representative
- 10 Housing Economist

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- 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.
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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.

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

Ex Nick

7. Nov. 1996 9:31

OFFICE OF HOUSING POLICY 2285323

No. 3773 P. 2/2

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.

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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?
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- 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?
- How could the state government work in partnership with local government and the private sector to achieve housing objectives?

Self Help
Land

Leasehold

MINISTERIAL TASK FORCE ON HOUSING

WORKING GROUP ON NON-METROPOLITAN HOUSING ISSUES

NORTH COAST VISIT

List of attendees

11.30 a.m. - 1.30 p.m. Local Government and DUAP

Susan Howland - regional community worker, based at Grafton Council
David Morrison - planner, Grafton Council
David Kineally - Manager Strategic Planning, Byron Shire Council
Matthew Lawrence - planner and community projects, Ballina Council
Nick Juradowitch - Group Manager, Planning and Development, Lismore Council
Tricia Shantz - community services, Lismore Council
Manfred Boldy - Manager Planning, Richmond River Council
Councillor Col Sullivan - Richmond River Council
Steve Fletcher - planner and community planning, Kyogle Council
Douglas Jardine - Manager Strategic Planning, Tweed Shire Council

Councillor Pauline West - Casino Council/NOROC

Fran Toomey - Department of Urban Affairs and Planning regional office

1.30 p.m. - 2.30 p.m.

Jill Lang - Premiers Department
Stephanie Knox - Southern Cross University
Stuart Moon - Chairperson, Northern Rivers Regional Development Board

2.30 p.m. - 3.30 p.m.

Craig Wilson - Chairperson, North Coast Community Housing Company
Graham Connolly - Treasurer, North Coast Community Housing Company
Peter Murphy - Co-ordinator Research and Planning, Regional Office, Department of Housing

DEPARTMENT OF URBAN AFFAIRS AND PLANNING**OFFICE OF HOUSING POLICY**

MINISTERIAL TASK FORCE ON HOUSING**BACKGROUND PAPER****Introduction**

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*.

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.

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.

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

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 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.

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

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.

Junior.

"Def. Pan Low is a fishing net lowest
self-help. Home built upon shared land
on the NE."

Session 11

Survey of VC

Review housing parameters generally and on own terms/parameters

|| - Key - The Gov is pushing rep. low cost self help home ownership in the VC.

NB Till census region fall 2011 & after

NB little or no ref to planning. (Assume avail. for housing in town/village/rural is taken for granted.)
Look upon it as long sought app for ^{social} outcome survey.

If & when pushed (ie asked) about the extent of the impact on the infrastructure eg roads, water, sewerage etc. then address sewerage/water/stormwater etc.

~~TRM~~
Bill K. at no ret & ABC:

at Trish for more? met? Did not see
alone? Name.

R/ Lee for details - what given
to Keith.

R/ Graham not to attend - ABC?

R/ Simon

R/ Alan

Rec est setting up NE Work Group.
with tasks & time frame.
(to fulfil aim p4.) i.e. Housing Market
Strategy " by Office on Housing Policy.

Issues for consideration on North Coast

- to seek specific outcomes re housing strategies & initiative.
- to provide qualitative and quantitative information to guide policy development.
- to produce models of best practice
- to explore as a first steps priority areas for fuller consideration and action.
- to identify key issues and possible options

For consideration

- What difficulties are being experienced?
- How are housing needs changing?
- What is constraining provision of affordable and adequate housing?
- Is there sufficient rental housing available?
- What is the impact of tourism on the housing stock / market?
- What are the likely impacts of proposed Commonwealth's reforms of delivery of housing assistance?
- How do housing issues vary between rural and urban areas?
- What are the priority issues?

- What incentives could be afforded to provide more affordable and appropriate housing?
- Could local government play a more active role in housing?
- How could the state government work in partnership with local government and the private sector to achieve housing objectives?

(A)

Context.

- Local government has a critical role in influencing the provision of housing.

(A)

- What significant cultural and lifestyle changes have occurred in the population?
- What is the size of the increase in single parent families, and smaller households?
- What is the extent of the desire for a greater diversity of the form of housing?
- How suitable is the present housing stock in meeting residents' needs?

"Appropriate" housing is defined here to mean that housing is available to meet residents' needs in terms of individual housing in the context of sustainable communities, and includes the

- form
- location
- access to jobs, services etc.

while having regard to household:-

- size ^{the residents}
- stage in lifecycle & the like.
- community expectations

"Affordable" housing is defined ^{here} to mean the capacity of the residents to meet the initial and ongoing costs associated with their housing.

Factors which contribute to the low level of "affordability":

- Social, environmental and service considerations which limit the availability of land for housing (it places pressure on land value).
- conservative nature of the development industry
- emphasis by the development industry on using traditional products and building techniques.

Purpose of the Task Force

The Task Force will :-

- enable all stakeholders in the housing industry to better understand the barriers to "affordable" and "appropriate" housing
- provide the government with quantitative and qualitative information
- provide the private sector and local government with the opportunity to collaborate with the government to address housing issues.
- identify strategies to address the housing needs of NSW.

Insert
Terms of Ref here

Context (p5)

NSW is experiencing overall (but not uniform) growth and an increasing diversity of housing needs.

These factors are coupled with mounting concern about the environment and social impact of continued urban expansion.

Affordability levels are lower than elsewhere in Australia.

While the housing programmes such as public & community housing is important, the majority of NSW residents (93% of households at 1991 census) rely on the private sector to meet their needs.

Local councils, Control of through housing regulators & approval processes mean that councils have a significant impact on development outcomes.

In some local government areas, regulatory practices have increased housing costs, while others have been innovative in this regard.

FAX DOCUMENT FROM PETER HAMILTON

1/50 Paterson Street, Byron Bay, 2481 (066) 858 648 (F/T)

TO: RI.

FAX No: DATE: 10-11-96

Number of pages (including this sheet): 5

SUBJECT: Housing Meeting

COMMENTS:

Please ring me in regard to the attached
dis.

Peter

FAX DOCUMENT FROM PETER HAMILTON

1/50 Paterson Street, Byron Bay, 2481 (066) 858 648 (F/T)

TO: Lee Inman Simon

FAX No: DATE: 8.11.96

Number of pages (including this sheet): 3

SUBJECT:

COMMENTS:

Additional data just to hand

P.

✓ **FAX DOCUMENT FROM PETER HAMILTON**

1/50 Paterson Street, Byron Bay, 2481 (066) 858 648 (F/T)

TO: Lee Duncan

FAX No: 251073

DATE: 8.11.96 10.30

Number of pages (including this sheet):

SUBJECT: Task Force on Housing

COMMENTS:

Herewith p7-12 as arranged.

Peter

FAX DOCUMENT FROM PETER HAMILTON

1/50 Paterson Street, Byron Bay, 2481 (066) 858 648 (F/T)

✓
TO: Simon

FAX No:

DATE: 7-11-96

Number of pages (including this sheet): 13

SUBJECT: Min Task Force on Housing Meeting, LSC on 11-11-96

COMMENTS: Herewith Background to the above. I have arranged with the Senior Policy Officer (Rebecca Richardson) in Sydney for Tan Com to be represented. Are you available on Monday? Graham & I available. Please ring re strategy & further details. I have spoken with Lee re this.

Next likely day for Cohen motion is 14 or 21 Nov.

Peter.

7/11/96

✓ Alan, this just to Lond. I have arranged
for Pan Com to be represented at the
meeting on Monday.

Di is already committed elsewhere.
Would appreciate your views on key
items in this Background material
in respect to mo that we can flag as
applicable in terms of the Task
Force's objectives.

John

7-11-96

Graham, this just to hand. Di is following up
her Council. She is already in a meeting on Mon with
other senior Council staff. I am waiting on call
back from Sydney re Pan Com being represented
at the Monday meeting. Will keep you posted.
NB PP9 - we should qualify as a "peak organization".
I look to attending on Mon. Would you also
be available? 10.30 + 3.00
I believe the 3 time slots noted on p1 - are 3
continuing sessions rather than 1 only.

Peter

✓
Eddie, the attached just to hand.

Please ring me ASAP re
this. I look to Pan Com being
represented.

P

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?

- 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?
- 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

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*.

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.

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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.

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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.

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- 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.

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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.

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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.
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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.

APPENDIX B
MINISTERIAL TASK FORCE ON HOUSING
MEMBERSHIP PROFILE

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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

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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

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.