

July 12 2024

Strategic Planning Team, City Futures
Shoalhaven City Council
Shoalhaven NSW
Via: council@shoalhaven.nsw.gov.au

RE: UDIA Submission to Draft Shoalhaven Affordable Housing Strategy

Dear Council,

The Urban Development Institute of Australia NSW (UDIA) is the peak industry body representing the leading participants in urban development across NSW. UDIA invests in evidence-based research that informs our advocacy to state, federal and local government, so that development policies and critical investment are directed to where they are needed the most. Together with our over 450 member organisations, we shape the places and cities where people will live for generations to come. UDIA also has active Regional Chapters across the Greater Sydney Megaregion, in Western Sydney, the Hunter, Central Coast, and the Illawarra-Shoalhaven.

UDIA has appreciated working closely with Shoalhaven City Council (SCC) over the last 12 months on Council's new Land Use Planning Scheme. We welcome the opportunity to comment on the Draft Affordable Housing Strategy, to which we provided insights early in the scoping process through your consultants on the Strategy, HillPDA.

Industry is increasingly responding to playing a more active role in delivering Affordable Housing. As a result, we do hope that SCC can move quickly once this Strategy is finalised to deliver a clear, unambiguous policy that provides industry with realistic expectations of their future requirements for Affordable Housing, which is supplemented by providing effective incentives. We would strongly encourage SCC to consider Wollongong City Council's recently exhibited Affordable Housing Policy, particularly noting the long transition period and phased-in approach which industry supported.

In relation to this Draft Strategy, UDIA has limited its comments to [6] of the actions which are directly relevant to our members and we offer the following comments.

Action 1.2: Implement an affordable housing contributions scheme.

UDIA NSW Comments: We would like to commend SCC for their recommended contributions scheme, which closely considers the current pressures facing development feasibility and understands the certainty required to make critical investment decisions. Suggesting an adequate phase in approach allows developers to factor in these Affordable Housing requirements during the land acquisition stage, which will enable the delivery of Affordable Housing. The scheme proposed offers a sensible and reasonable expectation of the proportion to be offered. However, UDIA will reserve making more detailed comments until we see a more formal Scheme that, we hope, will address matters such as how funds will be collected, managed, and disbursed.

However, as with various Actions across the Strategy, we note that Council land is being considered for Affordable Housing as well. This is encouraging, and UDIA urges SCC to maintain consistency and fairness by ensuring the same proportions of mandated Affordable Housing is adopted across all land ownerships, both private and Council owned.

Action 1.6: Continue advocacy to the NSW Government around tiny homes and their potential in Shoalhaven.

UDIA NSW Comments: While the sentiment behind greater housing diversity is appreciated and is reflected in the Strategic Growth Principles also on public exhibition, UDIA would like to provide a point of clarification on Tiny Homes.

Tiny homes are not a defined planning use and are generally considered 'caravans.' If they are to be 'located' then this implies they are installed and, in that case, they would fall under the definition of a 'manufactured home' that would be installed under a s68 approval through the Local Government Act.

Tiny houses on wheels are not currently required to be built to Australian Building Standards. Therefore, we seek clarity on what typology this Action refers to and would encourage SCC to explore what typology they are looking to encourage through this action.

Action 2.3: Consider targeted bonuses in planning controls to encourage the supply of affordable or higher density housing.

UDIA NSW Comments: Industry is interested to understand how SCC intends to "test" Affordable Housing bonuses with the Community, and then subsequently how this will be tested again with industry. UDIA's members would be open to sharing insights on the current experiences with the similar State policy, offering wide scale bonuses for the provision of Affordable Housing, given that this is not permissible in the Shoalhaven. This should be the basis that guides how SCC intends to roll out a similar process, which will provide industry with consistency and familiarity.

Action 2.6 Provide dwelling assessment support to affordable and high-density housing development applications.

UDIA NSW Comments: UDIA understands that SCC, like most Local Councils, are resource constrained. We have long encouraged Councils, in their capacity as the assessment authority, to focus their attention on difficult issues related to development applications (DA) while exploring streamlined pathways for "simpler" DAs. We are therefore encouraged by this proposed Action and would endorse this being moved to a more immediate focus of the current staff, should this Strategy be adopted.

UDIA is encouraged that Council, through this Action, will be exploring best practice examples of clause 4.6 variations. We will be writing to SCC on a related matter, noting that Ulladulla might provide an opportunity to be used as a case in point that applies some of these flexibilities in practice, particularly given relatively recent examples in Eurobodalla.

Action 2.7: Facilitate opportunities for homeowners and manufactured home estate operators to deliver tiny homes.

UDIA NSW Comments: While it may appear that there is an “uncertain regulatory environment” surrounding Tiny Homes, we reiterate our earlier statement that this is a function of continuing to use the term ‘Tiny Home.’ There are clear definitions in place for manufactured homes, and caravans.

As per above, manufactured homes are ‘installed’ under s68 of the Local Government Act, whereas a mobile tiny home (i.e., a caravan) is portable. Creating a register of the location would therefore be redundant.

However, if SCC is looking to facilitate opportunities for manufactured homes (i.e., homes that are installed), then we note that there is already a register of the s68 approval, as Council requires a DA for the use to exist concurrently (i.e. Approval is needed for installation under s68, and a DA approval is also needed for its use as a Secondary Dwelling). Rather than its intended purpose of providing information to inform decision making, this process would instead create an additional reporting burden with little benefit.

Action 2.8: Run an education campaign about the benefits of affordable, medium, and high-density housing.

UDIA NSW Comments: UDIA notes the benefit that an educational campaign could bring to the community, and notes that there are perceptions of both Council and the Development Industry that a campaign of this nature could assist in turning around. While we appreciate some may think a forward-facing campaign which includes the development sector could hinder the overall intent, we strongly encourage engagement with industry to ensure any educational campaign reflect market realities. UDIA members would be happy to consider offering sites as case studies, provide informative background into the development process, and share data that would benefit the campaign. Using Nowra-Bomaderry as the target for this advocacy, given its strategic identification for future housing, would also be advised.

We thank Shoalhaven City Council for this important step and encourage an open dialogue with UDIA. Should you wish to discuss this submission with us, I encourage you to reach out to Nathan Boulous, UDIA’s Southern Regional & Research Manager at nboulous@udiansw.com.au.

Kind regards,



Stuart Ayres
Chief Executive Officer
UDIA NSW