



# EUROBODALLA HOUSING STRATEGY

Scoping report

## Abstract

The purpose of this document is to provide a comparative analysis of affordable housing strategies that will enable Council to consider alternate and additional actions within the draft Eurobodalla Housing Strategy.

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## Scoping report on affordable housing content

At the 19 November 2024 Council meeting, Council determined to defer a decision on the Housing Strategy “to allow further detailed discussion including but not limited to further develop strategies and mechanisms to facilitate and deliver affordable housing, including social and community housing and housing that is affordable for the local workforce to buy or rent”.

Councillors sought advice on similar strategies drawn from adjacent LGAs. This scoping report undertakes a comparative analysis of the adopted Affordable Housing (AH) Strategies of Bega Valley Shire Council (BVSC), Queanbeyan Palerang Regional Council (QPRC) and Shoalhaven City Council (SCC), along with actions and strategies identified in the draft Eurobodalla Housing Strategy and Background Paper.

### LGA Affordable Housing Strategies

Note that:

- Council made a conscious decision to prepare a Housing Strategy and not just an affordable Housing Strategy. The purpose of a Housing Strategy is to take a holistic approach to the issue of housing.
- Eurobodalla Housing Strategy considers demand and supply-side delivery issues. The advantage of providing a review of the supply side issues is that it provides an insight into blockages to supply, whether growing supply will add to economic growth and the capacity of the building industry to supply additional dwellings.
- Post COVID, there has been a significant increase (approx. 30%) in construction and supply costs. The benefit of the timing of the drafting of the Housing Strategy was that it considered the additional cost of construction as a potential ‘speed hump’ and the impact on the building industry working with slim margins.
- Eurobodalla Housing Strategy and the comparison affordable housing strategies recognise the local gap in apartment construction of 1 or 2-bedroom units.
- All four strategies are founded on legal framework principles of the *Environmental Planning and Assessment Act 1979*, under which a council may introduce provisions into its LEP, consider affordable housing issues when determining development applications, enter into a planning agreement with a developer, and establish an Affordable Housing Contributions Scheme. Each has actions specifically related to these four points.
- Finally, all the housing strategies do not follow the NSW 2017 guidelines on Housing Strategy content and structure. The NSW

Housing Strategy Guideline 2017 style and content guide is evident only in the JSA background reports.

The comparative Table 1 and complete list of policies in Table 2 for the plans are set out in the Appendix to this report.

## Market interventions

All four strategies recognise the limitations of councils' role in affecting the housing market and offer policy opportunities for active market interventions. However, both the SCC and ESC strategies raise a cautionary note that, unlike Australian Federal and NSW interventions, Council does not have all the necessary and relevant economic levers under its control to enable an active intervention to be likely to succeed. Specifically, active or direct market interventions are proven unreliable and generate unintended consequences and where these interventions are financial, they lead to increases in cost to the detriment of affordability.

A policy aimed at active market interventions by a council is far more likely to have a negative impact.<sup>1</sup>

## The scale of the crisis

The shortfall numbers are small, though statistically significant, given the small population base of each council. All the strategies suggest the crisis is one of diversity in the type of housing (1-2 bedroom) rather than the number of units. The lack of diversity is a failure of developers and the market to build a particular type: apartments, terrace housing and shop-top residential flat buildings. All offer policy solutions to the one and two-bedroom shortfall through settlement and master planning. However, Bega and Queanbeyan strategies offer opportunities for council to become a building partner in the building and construction side of supply. All the strategies allow councils to enter into supply agreements with peak affordable housing industry agencies that build affordable housing. However, construction's economic headwinds also apply to these peak bodies.

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<sup>1</sup> Floetotto, M., Kirker, M. and Stroebel, J., 2016. Government intervention in the housing market: Who wins, who loses? *Journal of Monetary Economics*, 80, pp.106-123.

## Conclusion

From the strategies and actions, the ESC functional approach of "what can Council actually do" is the same as that adopted by Shoalhaven City Council. Similarly, the succinct strategy approach adopted by ESC follows the approach of the other councils.

Only ESC and Shoalhaven have augmented the JSA demand side reporting with a holistic approach that addresses the supply issue and includes more recent research and context analysis. This approach is supported by current academic research evaluations (see *The Housing Policy Debate Journal* and *The International Journal of Housing Policy*).

## Recommendations

- Council consider Table 2 for policy options to determine additional initiatives for inclusion in the strategy.
- Council implements policy initiatives along with appropriate resourcing strategies.

Table 1: Comparative summary of affordable housing strategies

	Bega Valley Shire Council Affordable Housing Strategy 2022	Shoalhaven City Council Affordable Housing Strategy 2024	Queanbeyan Palerang Regional Council Affordable Housing Strategy 2023
Details of strategy	41-page strategy excluding  Background paper – Part 1 Background paper – Part 2 Appendix A – Sales Data Appendix B – Potential partnership sites Appendix C – Economic of Development	60-page strategy including  Appendix A – Demographic Profile Appendix B – research papers Appendix C – Strategic Context Appendix D – Key Challenges Appendix E – Annual Report template	29-page strategy excluding  Affordable Housing Background Paper 2022 (JSA) Affordable Housing Background Paper appendices 2022 (JSA) Affordable Housing Strategy – Case Studies 2022 (JSA)
Author	Judith Stubbs and Assoc. (2022)	Hill PDA (2023)	Judith Stubbs and Assoc. (2023)
Position on affordable housing	There are significant opportunities for local government to support the creation and maintenance of affordable housing through core planning legislation and policies in NSW.  Local government can also choose to play a more proactive role in the creation and retention	Shoalhaven Affordable Housing Strategy 2024 has been created to: 1. Define affordable housing as a specific housing type, including the benchmarks, benefits, challenges and issues with it; Calculate the affordable housing needs of very low, low and moderate income households across the	“Limited opportunity for the private market to provide affordable housing and will require deep subsidies, strong planning intervention and direct funding”.  “Local government has a role and a statutory responsibility to seek to preserve and create affordable housing through the planning and assessment process”.

	<p>of affordable housing through active intervention in the market through the development of appropriate planning mechanisms and strategies, and through investment of funds and/or land for the purpose of affordable rental housing.</p>	<p>Shoalhaven local government area;  3. Protect existing affordable housing within the Shoalhaven local government area;  4. Identify and advocate for improved housing affordability through actions in this strategy;  5. Identify actions Shoalhaven City Council can take to increase the supply of affordable housing and diverse low-cost market housing to improve affordability outcomes directly and more generally; and  6. Create a monitoring and review framework to report on the impact of implementing the Strategy</p>	
Strategic research	<p>BVSC Residential Land Supply Strategy 2040</p> <p>The Rural Residential Land Strategy 2040</p> <p>Commercial Land Supply Strategy 2040</p>	<p>Shoalhaven 2040 Strategic Land use Planning Statement</p> <p>Growth Management Strategy</p> <p>Shoalhaven Community Led Plan for Homeless</p> <p>Shoalhaven Affordable Housing Strategy 2017</p>	Queanbeyan Residential and Economic Strategy 2031

<p>Number of strategies (actions) and type</p> <p><b>Note:</b> ESC draft strategy and SCC strategy have actions whereas QPRC and BVSC have strategies to define the actual work to be done.</p>	<p>15 short-term strategies (year 1)</p> <p>14 medium-term (2-4 years)</p> <p>2 long-term (5-10 years)</p> <p>Total of 31 strategies over 10 years</p>	<p>8 short-term actions (2 years)</p> <p>6 medium-term actions (2 to 4 years)</p> <p>3 long-term actions (4 to 6 years)</p> <p>Total of 17 actions with four (4) strategic directions:</p> <ul style="list-style-type: none"> <li>• direct government delivery</li> <li>• indirect market delivery</li> <li>• supportive and innovative framework</li> <li>• advocating and raising awareness</li> </ul>	<p>Total of 17 strategies with no allocated Timeframes</p> <p>Overarching themes include:</p> <ul style="list-style-type: none"> <li>• Adopt the strategy, allocate resources and monitor progress.</li> <li>• Increase the supply of crisis and temporary accommodation.</li> <li>• Advocacy to increase social housing.</li> <li>• Direct creation of affordable housing.</li> <li>• Facilitative strategies.</li> <li>• Mandatory intervention.</li> <li>• Administration and management.</li> </ul>
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**Table 2: Comparison of strategic actions**

The following actions table is drawn from each of the four strategies. In the interests of brevity, the table is reduced to the lead strategy.

	Bega Valley Shire	Queanbeyan Palerang Regional	Eurobodalla Shire	Shoalhaven City
Action (strategy)				
Dedicated staff resource for 3 years, ie, strategic planner	<b>Strategy 1a</b>	<b>Strategy 1a</b>		
Seek funding to develop council land with community housing provider	<b>Strategy 1b</b>	<b>Strategy 1b</b>		<b>Action 2.1</b> Shared equity or joint venture with a community housing provider
Convene affordable housing advisory group to monitor progress	<b>Strategy 1c</b>	<b>Strategy 1c</b>		
Adopt definitions and benchmarks for affordable housing including annual CPI	<b>Strategy 1d</b>	<b>Strategy 1d</b>		
Target of additional affordable (including social) housing	<b>Strategy 2</b> 2500 additional affordable (including social) housing by 2036	<b>Strategy 2a</b> 3776 additional affordable (including social) housing by 2041		
Indicative targets for affordable and social housing	<b>Strategy 2</b>  <b>Table 2.2</b> provides more detail on targets	<b>Strategy 2b</b>  <b>Table 2.2</b>		



		Tenure breakdown of 75% renters and 25% purchasers, Dwelling breakdown of minimum 60% smaller dwellings and balance family dwellings, 478 new social housing dwellings, 170 crisis or transitional dwellings		
Update data and information at a given period of time	<b>Strategy 3</b> (4 years)	<b>Strategy 3a</b> (2 years)		
Adopt key performance indicators (KPIs) <b>Note</b> – details below	<b>Strategy 3b</b>	<b>Strategy 3b</b>		
Report on KPIs annually	<b>Strategy 3c</b>	<b>Strategy 3c</b>		
Advocate for and actively support the provision of crisis, short-term, temporary and transitional accommodation.  <b>Note</b> - further detail below	<b>Strategy 5</b> Specific sites mentioned including former Bega hospital site, vacant motels, Catholic School in Eden and the Roy Wotton facility in Eden.	<b>Strategy 4</b>		
Advocate to the NSW Land and Housing Corporation (LAHC) to	<b>Strategy 4a, 4b and 4c</b>	<b>Strategy 5</b>		<b>Action 1.7</b>

at least maintain existing housing stock, repair and maintain buildings, and strategic approach to selective redevelopment of existing stock				Advocate to NSW Government on key affordable housing issues.
Council advocate for funding of new social housing dwellings and crisis or transitional accommodation.	<b>Strategy 4d</b> 150 new social housing dwellings and 100 supported dwellings/ accommodation options	<b>Strategy 6</b> 500 social dwelling houses and 170 crisis or transitional accommodation		
Allocate Council-owned sites for affordable housing through a tier 1 Community housing provider	<b>Strategy 19</b> Four (4) sites	<b>Strategy 7a</b> Five (5) sites in Queanbeyan, Bungendore and Braidwood		<b>Action 1.1</b> Desk top audit of Council-owned land  <b>Action 2.2</b> Investigate meanwhile uses on Council identified land  <b>Action 3.1</b> Dedicate Council-owned land to innovative affordable housing developments

Develop these sites in the short-term, medium and long-term for a range of uses including caravan parks, residential flat buildings and affordable seniors living.	<b>Strategy 19</b> <b>Strategy 22</b>	<b>Strategy 7b</b>		<b>Action 2.2</b> Investigate meanwhile uses on Council identified land
Develop sites through a competitive tendering process or a preferred partnering arrangement	<b>Strategy 21</b>	<b>Strategy 7c</b>		
Develop sites for affordable multi tenure development or a caravan park/ manufactured home.	<b>Strategy 20 (caravan park)</b> Council-owned land <b>Strategy 21 (multi-tenure development)</b> Council-owned land	<b>Strategy 7d</b> Three (3) sites owned by other public authorities		
Advocate to NSW Government departments to develop a register of public land that can be made available for additional affordable housing partnerships, assess sites and make at least three sites available	<b>Strategy 23</b>	<b>Strategy 8</b>		
Explore opportunities with NSW LAHC and Tier 1 community housing providers for selective redevelopment of existing social housing	<b>Strategy 24</b>	<b>Strategy 9</b> Queanbeyan, Crestwood and Karabar		

<p>Council will make amendments to planning controls</p>	<p><b>Strategy 7</b> Delete requirement in LEP for certain area per dwelling in R2, R3 and B4 zones. Restrict development of dwellings and dual occupancies in LEP on R3 and B4 zones (encourage multi-dwelling housing and residential flat buildings). Amend DCP to be consistent with ADG. Amend/reduce car parking requirement for multi dwelling housing, residential flat buildings and shop top housing within 600 metres of Bega, Eden and Merimbula. Zone enough R3 and B4 land to increase construction of residential flat buildings</p>	<p><b>Strategy 10</b> to amend parking controls, allow non-commercial uses at ground floor in commercial areas, provide additional FSR in return for development of boarding houses and co-living housing, and studio and one-bedroom apartments. Also amend other planning controls to allow more residential flat buildings and multi dwelling housing, increase height limits and provide opportunities for smaller dwellings on smaller lots in Braidwood and Bungendore</p>	<p><b>Action 4.1</b> Consider apartment, multi-unit and shop top housing development height controls to activate infill and provide greater housing choice</p> <p><b>Action 9.1</b> Develop masterplans for Batemans Bay, Moruya and Narooma to facilitate density and housing diversity</p> <p><b>Action 9.2</b> Review the LEP height controls to deliver great housing typology</p> <p><b>Action 2.1</b> Amend height controls, where appropriate, in areas</p>	<p><b>Action 1.3</b> Consider planning and development controls to facilitate manufactured home estates closer to urban centres</p> <p><b>Action 2.3</b> Targeted bonuses in planning controls to encourage supply of affordable housing and higher density housing</p> <p><b>Action 2.4</b> Increase densities in strategic centres, new release areas and existing residential areas</p>
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	<p>Amend height and FSR controls within 600 metres of Bega, Eden and Merimbula. Increase height in B2 zones by one storey to allow shop top housing</p>		<p>adjacent to the town centres of Bateman Bay, Moruya and Narooma</p> <p><b>Action 2.2</b> Amend design controls in DCP with attention to aesthetic and urban form considerations</p> <p><b>Action 2.3</b> Review car parking provisions in DCP to standardise and reduce requirements in line with number of bedrooms</p>	
<p>Council will consider implementing mechanisms that facilitate more effective operation of the Housing SEPP including introduction of FSR controls with 400 metres of employment zones, rezoning land and facilitating information</p>		<p><b>Strategy 11</b></p>		

sessions with developers and social housing providers				
Develop a planning agreement to ensure agreements are transparent and guaranteed, and capture uplift in land value from rezoning or up-zoning to contribute, in the form of dwellings, land or cash to provide affordable housing	<b>Strategy 12</b>	<b>Strategy 12</b>		
Encourage and prioritise affordable housing developments through internal prioritisation, provide advice and support, and link private sectors developers with community housing providers	<b>Strategy 8</b>	<b>Strategy 13</b>	<b>Action 8.1</b> Develop affordable housing provisions as part of the masterplans for Batemans Bay, Moruya and Narooma	<b>Action 1.5</b> Provide assessment support for affordable and high-density development applications
Develop an affordable housing contributions scheme including modelling and identifying specific precincts	<b>Strategy 17</b>	<b>Strategy 14</b>	<b>Action 7.1</b>	<b>Action 1.2</b>
Mandate housing diversity in established areas including	<b>Strategy 18</b> Mandate one-bedroom and two-bedroom apartment sizes 20% of dwellings as one-bedroom apartments 20% as two-bedroom apartments	<b>Strategy 15a</b> Specific amounts of studio and one-bedroom apartments and two-bedroom/one-bathroom dwellings	<b>Action 8.1</b> Develop affordable housing provisions as part of the masterplans for Batemans Bay, Moruya and Narooma	

<p>mandate housing diversity/density in greenfield areas</p>	<p><b>Strategy 9</b> Provide a development standard that allows the concurrent construction and subdivision of more than two dwellings. Allow for some lots to be smaller. Allow multi-dwelling housing in R2 zone. Allow multi-dwelling housing in sewered areas of RU5 land. Investigate and support alternative housing models on greenfield and/or rural zoned land with community housing providers, housing co-operatives, community land trusts</p>	<p><b>Strategy 15b</b> Require a proportion of new lots to be for multi-dwelling housing and a proportion of houses on small lots</p>	<p><b>Action 5.1</b> Council will extend urban design and place base responses in the form of infrastructure and planning instruments</p>	<p><b>Action 3.3</b> Introduce guidelines to increase density in greenfield developments</p>
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<p>Establish mechanisms for the monitoring, management and administration of the strategy and any program</p>	<p><b>Strategy 26</b></p>	<p><b>Strategy 16</b></p>	<p><b>Action 6.1</b> Council will monitor changes to the low-income demographic and facilitate planning process improvements to increase temporary and emergency accommodation</p> <p><b>Action 3.1</b> Analyse existing and future housing supply to identify housing typology changes, building completions versus approvals</p>	
<p>Partnerships with community housing providers includes adequate budget provision for building and garden maintenance, and asset audits</p>	<p><b>Strategy 27</b></p>	<p><b>Strategy 17</b></p>		<p><b>Action 1.6</b></p>
<p>Brokering partnerships with community housing providers to match homeowners in under-occupied dwellings with people at risk of homelessness and key workers</p>	<p><b>Strategy 6</b></p>			



Council will support the development of high-quality new generation boarding houses and co-living housing	<b>Strategy 10</b>	<b>Strategy 7d</b>		<b>Action 2.5</b> Investigate potential for co-living housing near towns and village centres
Increase the supply of long-term sites in caravan parks and manufactured home estates through consultation with the NSW Government and identification of potential sites for caravan park and manufactured homes estates	<b>Strategy 11</b>			
Implement recommendation 5.2 from the Regional Housing taskforce in relation to STRA	<b>Strategy 13</b>			
Undertake a socio-economic impact assessment of the impacts of STRA	<b>Strategy 14</b> Consider inclusion as prescribed area under Housing SEPP 2021 and gain approval for shorter time period, ie. 90 days			
Constrain use of secondary dwellings as STRA	<b>Strategy 16</b>			
Rate rebates to encourage long term rental accommodation	<b>Strategy 15</b>			

Support and facilitate tangible outcomes for local aboriginal people	<b>Strategy 25</b>			
Develop strategic planning principles for affordable housing				<b>Action 1.4</b> Provide best practice design and delivery principles for affordable housing in the local strategic planning statement
Run an education campaign about the benefits of affordable and diverse low-cost housing				<b>Action 1.8</b>
Facilitate opportunities for homeowners and manufactured home estates to deliver tiny homes				<b>Action 2.6</b>
Investigate pilot projects of exemplary diverse and affordable housing types to increase market confidence				<b>Action 3.2</b>
Develop masterplans for the town centres of Moruya, Batemans Bay and Narooma to increase density			<b>Action 1.1</b>	

### **Notes – QPRC - Strategy 3 – KPIs**

- Number of affordable rental dwellings for very low and low-income households created as a result of partnerships between Council and community housing providers and/or the private sector.
- Net change (loss/gain) in social (public and community) housing. Data can be obtained from DCJ – housing and local community housing providers.
- Number of affordable rental dwellings for very low and low-income households created through other agencies or mechanisms, including DCJ – housing and local community housing providers. Data can be collected by Council.
- Number of affordable housing dwellings for very low and low-income renters and low-income purchasers provided through the market. Data can be obtained from DCJ – housing rent and sales reports.
- Increase in supply of lower cost housing types/products created through the market. Data can be obtained from DCJ – housing rent and sales reports.
- Reduction in local homelessness, including appropriate accommodation of people living temporarily with others, or living in inappropriate, unsafe or severely overcrowded accommodation. Data can be provided by agencies such as specialist homelessness services.
- Reduction in the proportion of very low and low-income households in housing stress. Data can be obtained from the census every five years.
- Retention of diverse income, age and employment groups in the LGA. Data can be obtained from the census every five years.

### **Notes – QPRC – Strategy 4 – advocacy for crisis/transitional accommodation**

- Identifying vacant or under-utilised Council, public, community and/or private buildings and regulatory support and flexibility for their ‘meantime use’ as crisis, short-term, transitional and/or flexible key worker accommodation.
- Seeking to obtain NSW Government’s agreement and funding to renovate existing public building and/or social housing dwellings that are currently vacant or in poor repair for ‘meantime’ use or short to medium-term accommodation, to be managed by a community housing provider (CHP) or other not-for-profit (NFP) service provider.

- Investigating and implementing ‘pop up’ models of crisis or short-term accommodation, for example, a ‘winter sleep-in’ pilot in community or church halls, with appropriate regulatory flexibility.
- Identify Council or other publicly owned land in close proximity to the town centre suited to older people with some support needs, to be used for accommodation based on the Abbeyfield model or tiny home/MHE model of self-contained independent living units with some common areas and facilities to foster community and social support.
- Identify Council and other publicly owned land for projects developed by local CHPs, NFPs or local services networks that can use this land as part of funding applications.
- Investigating and advocating for the use of vacant publicly or privately owned land where caravan parks are permitted for the development of an affordable manufactured home estate, including urgent approval and placement of smaller manufactured or ‘tiny’ homes, managed by a local CHP or NFP.
- Providing proactive planning and resourcing support NFPs or CHPs seeking to engage in adaptive reuse of existing facilities and/or place smaller manufactured or ‘tiny’ homes on Council or other publicly owned or philanthropic vacant land, including fast tracking applications, potential advice or flexibility with regard to standards, etc.
- Reviewing Council’s internal referrals/protocols between the planning and community services teams to explore ways to improve efficiency and reduce costs associated with the DA process for services/community organisations with affordable and supported housing development projects to fast-track outcomes where appropriate.
- Reducing ongoing costs for affordable housing developments and supported accommodation through rate reductions or rebates or other financial support.
- Develop an awareness campaign on the nature and extent of growing homelessness in the LGA in conjunction with community services and networks to remove discrimination and increase public awareness of the issues, including among developers, real estate agents and the wider community.
- Promoting the return of properties used for short-term rental accommodation to the long-term private rental market, for example, per Eurobodalla and Shoalhaven Councils, which sent an ‘SOS’ through rate notices to ask for a return of such properties to long-term private rentals.

- Facilitating a pilot brokerage scheme in partnership with a local CHP or NFP that matches owner occupiers in large under-occupied homes with people who are at risk of homelessness, including young/single key workers, older women, etc, including:
  - screening and matching of prospective shared housing participants
  - development of appropriate rents, cost sharing agreements and other administrative arrangements; and
  - provision for support, conflict resolution, etc as required.