

Our People, Our Future, Our Cessnock



Cessnock
HOUSING STRATEGY
DRAFT



Image: Mount Yengo, located in Yengo National Park, is of great significance to local Aboriginal people.

Acknowledgement of Country

Cessnock City Council acknowledges that within its local government area boundaries are the Traditional Lands of the Wonnarua people, the Awabakal people and the Darkinjung people. We acknowledge these Aboriginal peoples as the traditional custodians of the land on which our offices and operations are located, and pay our respects to Elders past and present. We also acknowledge all other Aboriginal and Torres Strait Islander people who now live within the Cessnock Local Government Area.

WARNING: Aboriginal and Torres Strait Islander people are warned that this document may contain images of people who have died.

Disclaimer

While every reasonable effort has been made to ensure that this document is correct at the time of printing, Cessnock City Council, its agents and employees, disclaim any and all liability to any person in respect of anything or the consequences of anything done or omitted to be done in reliance upon the whole or any part of this document.

Document History

Revision	Date Approved	Description of Changes
1		Housing Strategy

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Executive Summary

Housing is a fundamental right of every person. Housing is more than just shelter: it provides security, it fosters connections, it is an opportunity for personal expression and builds the capacity of our community.

Housing has been represented by some as a spectrum or a continuum that captures the various housing needs, challenges and opportunities that exist in any community. It ranges from homelessness to home-ownership and includes the broad categories in between. A bespoke version of the housing continuum has been used as the structure of this strategy because it is important to acknowledge the diversity of housing needs in our community and to articulate Council's role in all of these areas; even if that role is limited to advocacy.

The housing continuum is a valuable concept but it infers progression from one housing situation to the next. However, housing is a complex interaction of people, opportunity and circumstances and any one or more of these variables, positive or negative may change a person's housing situation. Many of us would be vulnerable to unexpected, acute changes in our lives such as illness or unemployment that could fundamentally change our housing circumstances. Other changes to our lives that can affect our housing needs are more predictable; such as raising a family or aging and we also need to accommodate the diversity of those needs in our community.

Council's role in supporting the delivery of housing to meet the needs of our community is varied. Council does not build houses: we rely on public agencies, community-based organisations and the development and housing industries to build the actual product. For most of the specialist housing areas, Council's role is limited to advocacy. However, there may be opportunities for Council, as a landowner to partner with specialist providers to help meet these housing needs. In some areas, State Government regulatory interventions mean that our role as the Planning Authority is limited and therefore unable to influence housing outcomes. These interventions contribute to the complexity of the NSW Planning System and undermines our communities' confidence in Council to regulate housing outcomes in their neighbourhoods. In other areas, Council does have a significant role to play in terms of land supply, regulatory efficiency and the assessment of (some) developments and their design outcomes. There is also the opportunity for strong leadership; particularly in areas of community housing, homelessness and crisis housing.

This draft Housing Strategy has been prepared in consultation with housing providers' representatives who deliver housing across Cessnock and those who have unique insights into the local market such as real estate agents. Their experience and recommendations, where possible have been incorporated into this strategy. In addition, to these important sources of knowledge Council engaged specialist consultants to undertake research into the area of housing provision and housing preferences. This combined knowledge base has revealed key findings about our housing market and informed the policy framework and actions listed in the strategy.

This strategy is forward-looking and anticipatory but it relies heavily on statistics and trends to make predictions about the future. The recent events: the prolonged drought, the bushfires and the COVID-19 pandemic will disrupt these trends in ways that we cannot yet anticipate. So, it is recommended that Council revisit this strategy in the short-term to consider the impact of these events. The bulk of results from Census 2021 are likely to be released in the latter half of 2022. This may be an appropriate intermission to re-evaluate the policy framework in this strategy and to make any adjustments necessary to respond to these unprecedented events.

Our Housing Vision



Our community's housing needs are met, and lifestyle aspirations achieved by a diverse, affordable local housing market and a supported community housing sector.

Our Place in the Region

Situated in the Lower Hunter Region the Cessnock LGA is located across the traditional lands of the Wonnarua people, the Awabakal people and the Darkinjung People. The LGA covers approximately 1,950 square kilometres and forms part of the Lower Hunter. European settlement since the 1820's saw the establishment of pastoral lands, the coal mining industry, the viticulture industry and more recently a thriving tourism industry.

While mining was the principal industrial base and source of employment in the Cessnock Region for the first half of the twentieth century, changes in the mining industry, including deepening coal seams and automation has led to the closure of the vast majority of mines in the area. It was announced that the last active mine in the area was placed into care and maintenance during the original exhibition period of this document. The character, heritage and distribution of towns and villages throughout the LGA is a legacy of the region's coal mining past.

The decline of mining in the Cessnock LGA is in contrast to the success of the Hunter Region's viticulture industry.

The Hunter Valley is Australia's oldest wine region, colloquially known as Hunter Valley Wine Country, the region is internationally acclaimed, particularly for the shiraz and semillon varietals. With over 150 wineries, the region is home to more cellar doors than any other wine region in Australia. The viticultural industry gives rise to a thriving tourism industry that includes restaurants, accommodation, events, galleries and specialty shops.

The Cessnock LGA is currently witnessing substantial growth. Urban development is rapidly expanding within a growth corridor between Cessnock, Kurri Kurri and Maitland, and between Branxton, Greta and Rutherford.



195,000ha
land area



59,985
residential population (2019)



22,737
dwellings (2016)



Cessnock and adjoining local government areas

Wonnarua

"lands of hills and plains"

Our Community

Our Cessnock LGA is home to 59,000 people, the majority of whom reside in a thin urban belt between the townships of Cessnock and Kurri Kurri. The region's rural character and amenity is one of our key strengths. The community values the rural lifestyle, opportunities for larger lot residential properties and access to a range of community services and recreation facilities.

The median age of our population is 38, which is consistent with the median age in NSW. This is projected to remain stable in the coming years with our aging population offset by younger people drawn to the region's relative affordability, lifestyle and access to employment. This scenario is already playing out in Cessnock's urban release areas, including land at North Rothbury, Branxton and the Cessnock to Maitland Growth Corridor. In 2016, the median age at North Rothbury, Cliftleigh and Heddon Greta was 33, 24 and 34, respectively. In contrast, some of our more established localities in our LGA, such as Kurri Kurri and Branxton are witnessing a rising median age. This may indicate a lifestyle choice by older residents who have chosen to live closer to the established commercial centres or within lower maintenance, medium density housing.

There were 23,684 people in the labour force in 2016. Half of these people were employed full-time and a further third, part-time. 8.7 percent reported as being unemployed. The rate of unemployment in 2016 was markedly higher than both the state and national average of 6.3 and 6.9 percent, respectively. Unemployment is a major contributing factor to the higher level of disadvantage.

In 2016, the most important industry sectors were accommodation and food services, retail trade, health care and social assistance, education and training and manufacturing. Three in every five people employed worked in these industries¹. Employment land at Black Hill, the Kurri Kurri Industrial Precinct and the redevelopment of the former Kurri Kurri Aluminium Smelter site are anticipated to play a pivotal role, in providing future local employment opportunities.

	2016 59,101 2036: 70,000-80,000
	2016 24,000 2036: 30,350 – 35,000
	10 year average population growth Cessnock: 1.8% NSW: 1.3%
	New Jobs by 2036 5,369
	Average household size: Cessnock: 2.57 NSW: 2.42

¹ REMPLAN





Our Natural Environment

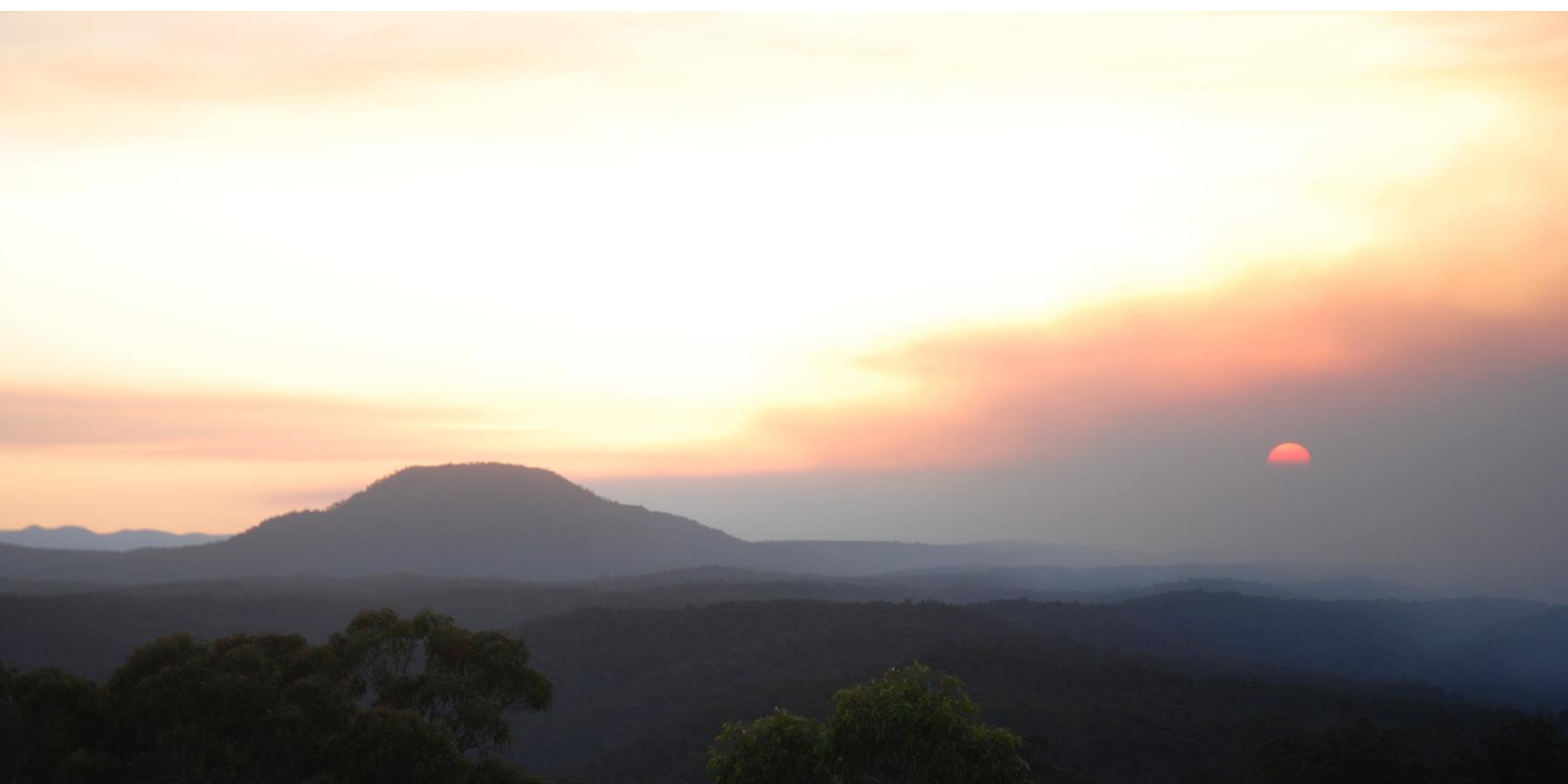
The Cessnock LGA is known as a region of exceptional environmental value and natural beauty. The City's natural environment and landscape is what makes it special and unique. The Cessnock community identified a 'sustainable and healthy environment: promoting a sustainable balance between development and preserving our natural environment' as one of the five important themes of the Community Strategic Plan that they would like to see happen by 2027. It is important to protect our natural environment for the benefit of the existing and future community now and into the future.

The Cessnock LGA is characterised by large areas of steep, heavily vegetated terrain in the south and east of the LGA, as well as flat, cleared areas surrounding the town of Cessnock and neighbouring urban areas. The flat terrain around the Cessnock township contains some of the largest remaining remnants of valley-floor vegetation in the Hunter Valley. National Parks and State Forests cover 40% of the Cessnock land area (78,769 hectares). The National Parks located within the LGA include Werakata, Wollombi, Yengo, Sugarloaf and the Watagans. Yengo National Park forms part of the listing for the UNESCO Greater Blue Mountains World Heritage Area. The listing was made in recognition of the extraordinary natural values the area contains, including unique plants and animals and associated communities.

The Cessnock LGA has a unique identity, central to which are the prominent items of heritage significance and the 'country town' character of the

City's centres. The Cessnock LGA contains several hundred items of heritage significance, including items of indigenous, built and natural significance. Cumulatively, these prominent places and buildings help establish the character of the Cessnock LGA.

	40% of the LGA is National Park or State Forest
	A UNESCO World Heritage Area
	97.5% of the LGA is Bushfire Prone
	A regionally significant biodiversity corridor



Our Important Places

Cessnock City is a regional LGA of well-established towns and villages set among some of the Hunter Region's most valuable natural bushland.

Cessnock and Kurri Kurri are the City's largest townships and benefit from their status as strategic centres in the State Government's HRP 2036 and GNMP 2036. The City's centres are well-regarded for their abundant heritage, character, festivals and events, including the annual Spring Awakening Festival at Cessnock and Nostalgia Festival at Kurri Kurri.

Our LGA contains a major share of the internationally recognised Hunter Valley Wine Country covers an area of approximately 13,250 hectares, to the north of the Cessnock township. Wine Country is one of the primary tourist destinations in the Hunter Region and is a major focus for visitor attractions, events and activities.

	230 European heritage Items
	Australia's oldest wine region
	4 Heritage Conservation Areas
	Significant Aboriginal Places



Planning Policy and Context

Hunter Regional Plan 2036

The Hunter Regional Plan 2036 (HRP) will guide the NSW Government's land-use planning priorities and decisions over the next 20 years. It provides an overarching framework to guide subsequent and more detailed land-use plans such as Local Strategic Planning Statements and this Local Housing Strategy. The HRP includes a number of housing priorities that need to be reflected in this Housing Strategy.

The plan contains a number of directions and actions that Councils must address in their housing strategies. **Error! Reference source not found.**

Greater Newcastle Metropolitan Plan 2036

The Greater Newcastle Metropolitan Plan 2036 (GNMP) sets out strategies and actions that will drive sustainable growth across Cessnock City, Lake Macquarie City, Maitland City, Newcastle City and Port Stephens communities, which together make up Greater Newcastle.

Cessnock is within the *metro frame* category that is expected to provide local housing and job opportunities, and will be designed to maintain the green outlooks, improve access to open space and retain its identity.

Outcome 3 of the GNMP relates to the delivery of housing close to jobs and services.

Cessnock Local Strategic Planning Statement 2036

The Cessnock Strategic Planning Statement 2036 (LSPS) is the local strategic land-use document that sets out how Council will manage land use across Cessnock. It is informed by the Community Strategic Plan and has a direct relationship with the Local Environmental Plan and the Development Control Plan. It is also a mechanism to implement regional strategic land-use priorities established under the HRP and the GNMP at a local level.

The LSPS includes several planning priorities that relate to housing and actions support those priorities.

Cessnock Draft Urban Growth Management Plan

Council's Urban Growth Management Plan (UGMP) is a supplementary strategy to help inform the logical sequencing of growth across our area. The UGMP

contains principles that will be applied by Council when deciding where and when development will occur to meet the needs of our growing community.

Council's Disability Inclusion Action Plan

Council's [Disability Inclusion Action Plan \(DIAP\)](#) demonstrates Council's commitment to improving access and inclusion. The DIAP identifies what we can do to promote and achieve equality for residents and visitors.

Action 4.10 of Council's [Disability Inclusion Action Plan \(DIAP\)](#) includes the development of a housing strategy that considers future supply and demand for affordable housing and includes supported accommodation, boarding homes and group homes.

A Housing Strategy for NSW - Discussion Paper May 2020

This discussion paper, released significantly later than the requirement for NSW Councils to prepare their Local Housing Strategy, aims to:

- coordinate diverse housing policy to most effectively respond to challenges
- ensure an agile, timely and evidence-based response to new opportunities and issues
- provide certainty to councils, industry and communities about our direction for housing in NSW
- provide a foundation to communicate with and complement the work of State Government agencies, including the Greater Sydney Commission, and other levels of government, including councils and the Australian Government
- ultimately, best plan for housing that responds to environmental, population and affordability changes and the preferences and needs of the community – now, over the next 20 years and beyond.

The discussion paper anticipates that the NSW Housing Strategy will be structured around 4 themes:

1. Housing supply
2. Housing diversity
3. Housing affordability and stability
4. Resilience

The impending NSW Housing Strategy will not be considered in this version of the Cessnock Housing Strategy but may be relevant to future iterations of this document.

Demographic and housing overview

This section describes the broad characteristics of our community and statistics that reflect the current housing situation across Cessnock. With exception, our community is compared against the rest of Regional NSW to highlight commonalities and differences.

Population Statistics

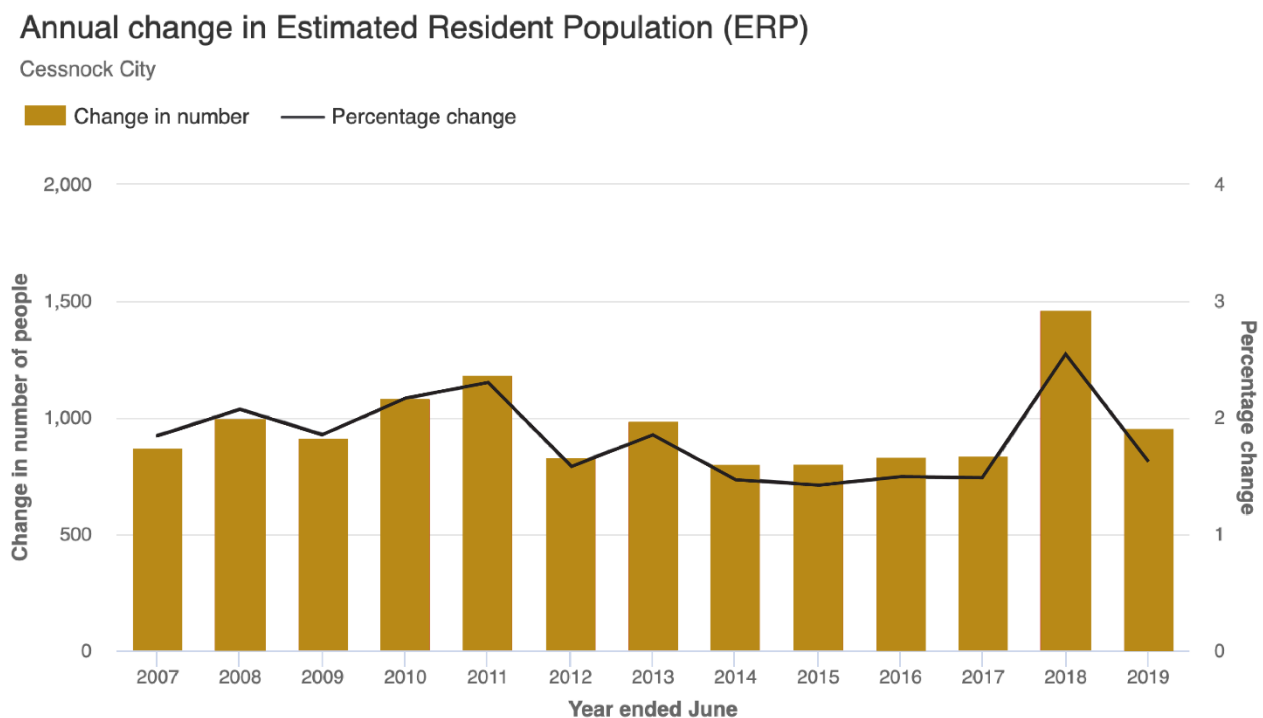
Population

The current estimated residential population of Cessnock at 2018 is 59,101 people.

Population Growth

The average annual growth rate between 2008 and 2018 was 1.9%. However, this spiked in 2018 to 2.7%. A 20-year average to 2036 is projected at 1.6% (Department of Planning, Infrastructure and Environment, 2020).

Figure 1: Annual change in growth rate between 2008 and 2018 (ERP).



Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled and presented by .id the population experts

.id the population experts

Source: profile.id.com.au/cessnock

Population Age

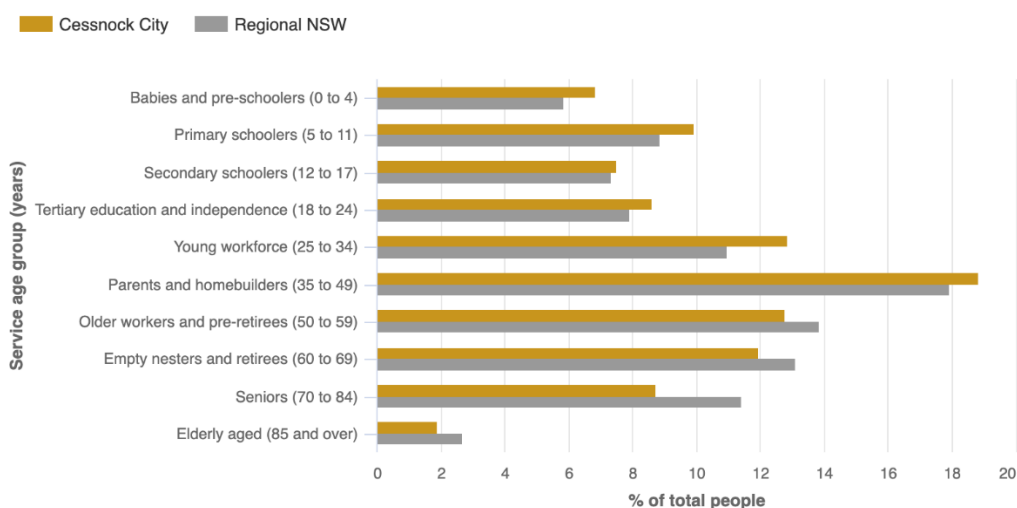
The major differences between the age structure of Cessnock City and Regional NSW were:

- A larger percentage of 'Young workforce' (24-34 years old) (12.9% compared to 11.0%)
- A smaller percentage of 'Seniors' (70-84 years old) (8.7% compared to 11.4%)
- A smaller percentage of 'Empty nesters and retirees' (60-69 years old) (12.0% compared to 13.1%)
- A smaller percentage of 'Older workers & pre-retirees' (50-59 years old) (12.8% compared to 13.8%)

Figure 2: Age structure – service groups.

Age structure - service age groups, 2016

Total persons



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.

.id the population experts

Source: profile.id.com.au/cessnock

The largest changes in age structure in Cessnock between 2006 and 2016 were:

- 65 to 69 (+1,426 persons)
- 60 to 64 (+1,006 persons)
- 25 to 29 (+909 persons)
- 70 to 74 (+839 persons)

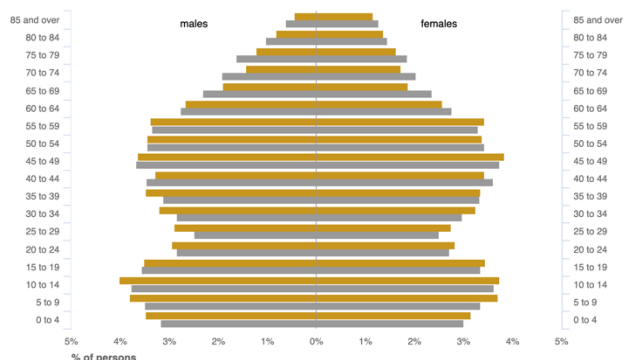
These changes can be expressed in terms of service groups²:

- Empty nesters and retirees (60 to 69) (+2,431 people)
- Young workforce (25 to 34) (+1,594 people)
- Seniors (70 to 84) (+1,074 people)
- Tertiary education and independence (18 to 24) (+922 people).

Figure 3: Age - Sex Pyramids 2006 and 2016.

Age-sex pyramid, 2006

■ Cessnock City ■ Regional NSW

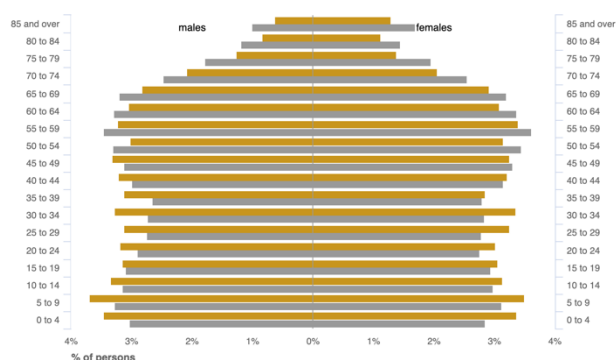


Source: Australian Bureau of Statistics, Census of Population and Housing, selected years between 1991-2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

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Age-sex pyramid, 2016

■ Cessnock City ■ Regional NSW



Source: Australian Bureau of Statistics, Census of Population and Housing, selected years between 1991-2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

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Source: profile.id.com.au/cessnock

² Service age groups divide the population into age categories that reflect typical life-stages. They indicate the level of demand for services that target people at different stages in life and how that demand is changing.

These age-sex pyramids illustrate that the population is aging across regional NSW and in Cessnock. It also indicates that Cessnock has more young families with children than elsewhere in Regional NSW.

Households

In 2016, the number of households in Cessnock was 21,815. This increased by 3,396 between 2006 and 2016. Looking towards 2036, there is expected to be around 31,000 households or an additional 9000 dwellings.

Table 1: NSW 2019 Population Projections. LGA projected households.

Projected households 25 year change (2016 – 2036)				
2016	2021	2026	2031	2036
21,815	23,456	25,859	28,672	31,027

Source: Department of Planning, Infrastructure and Environment.

In 2016 the average household size was 2.52. By 2036, the number of people living in a household is predicted to reduce to 2.40.

Table 2: NSW 2019 Population Projections. Projected average households sizes.

2016	2021	2026	2031	2036
2.52	2.48	2.45	2.42	2.40

Source: Department of Planning, Infrastructure and Environment.

The largest changes in the number of persons in a household in Cessnock City between 2006 and 2016 were:

- 1 person (+919 households)
- 2 persons (+808 households)
- 3 persons (+502 households)
- 4 persons (+246 households)

The largest changes in family/household types in Cessnock City between 2006 and 2016 were:

- Lone person (+916 households)
- Couples without children (+659 households)
- One parent families (+531 households)
- Couples with children (+416 households)

Looking forward towards 2036, the largest increase in households is predicted to continue as Lone person (+3122) or Couple only (+2512) households.

Table 3: NSW 2019 Population Projections. LGA households by household type.

Household Type	2016	2021	2026	2031	2036	
Couple only	5,077	5,606	6,292	7,023	7,589	+2512
Couple with children	6,089	6,379	6,861	7,493	8,026	+1937
Single parent	3,480	3,676	3,976	4,369	4,725	+1245
Multiple and Other family households	625	660	721	792	844	+219

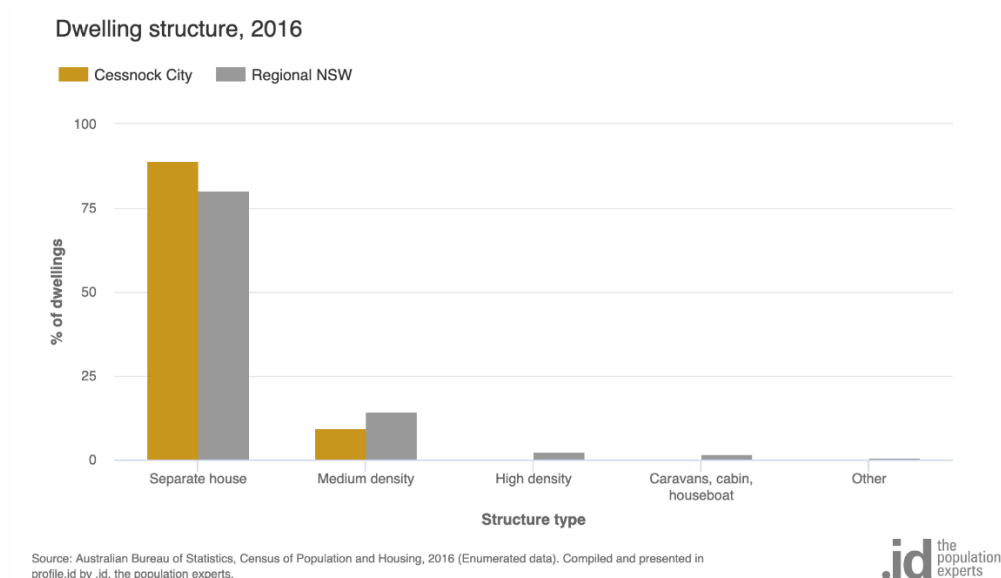
Total family households	15,272	16,323	17,851	19,677	21,184	+5912
Lone person	5,924	6,499	7,320	8,244	9,046	+3122
Group	618	634	688	751	797	+179
Total non-family households	6,542	7,133	8,008	8,995	9,843	+3301
Total households	21,815	23,456	25,859	28,672	31,027	+9212

Source: Department of Planning, Infrastructure and Environment.

Dwelling Structure

Dwelling Type is an important determinant of Cessnock City's residential role and function. A greater concentration of higher density dwellings is likely to attract more young adults and smaller households, often renting. Larger, detached or separate dwellings are more likely to attract families and prospective families. The residential built form often reflects market opportunities or planning policy, such as building denser forms of housing around public transport nodes or employment centres.

Figure 4: Dwelling structure.



Source: profile.id.com.au/cessnock

Number of Bedrooms

As of 2016, 19.4% of households were in dwellings with 2 bedrooms or less, and 27.8% of 4 or more bedroom dwellings, compared with 21.4% and 30.1% for Regional NSW respectively.

The major differences between the number of bedrooms per dwelling of Cessnock City and Regional NSW were:

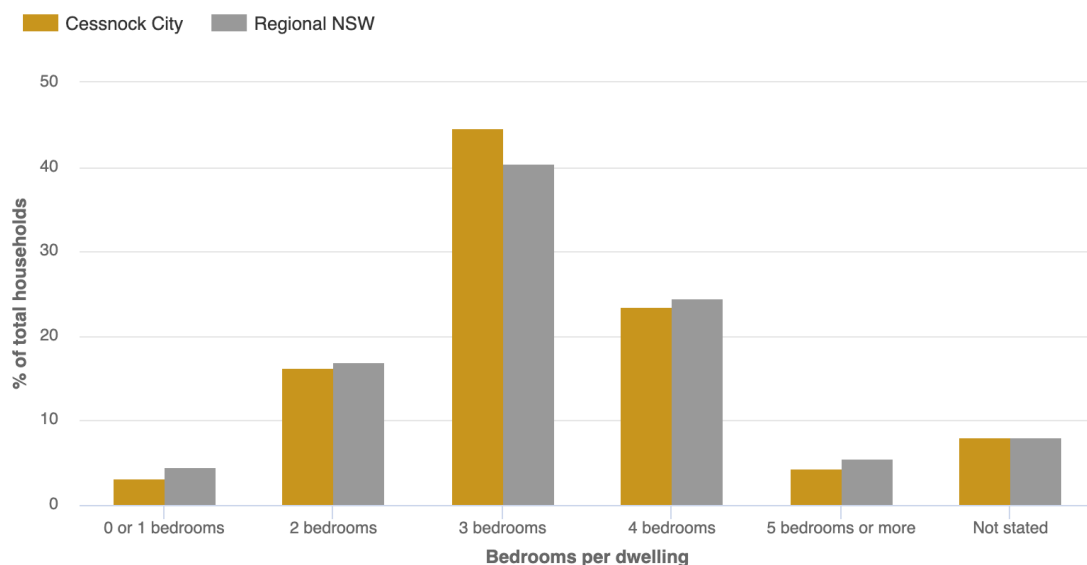
- A larger percentage of 3 bedroom dwellings (44.6% compared to 40.4%)
- A smaller percentage of dwellings with 1 or no bedrooms (includes bedsitters) (3.2% compared to 4.5%)
- A smaller percentage of 5 or more bedroom dwellings (4.4% compared to 5.6%)
- A smaller percentage of 4 bedroom dwellings (23.5% compared to 24.5%)

The largest changes in the number of bedrooms per dwelling in Cessnock City between 2011 and 2016 were:

- 4 bedrooms (+890 dwellings)
- 5 bedrooms or more (+166 dwellings)
- 2 bedrooms (-100 dwellings)

Figure 5: Number of bedrooms per dwelling, 2016.

Number of bedrooms per dwelling, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

.id the population experts

Source: profile.id.com.au/Cessnock.

Tenure and landlord type

In Cessnock City, 64% of households were purchasing or fully owned their home, 22.7% were renting privately, and 3.3% were in social housing in 2016.

Figure 6: Housing Tenure 2016.

Housing tenure, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

.id the population experts

Source: profile.id.com.au/cessnock.

Analysis of the housing tenure of households of Cessnock City in 2016 compared to Regional NSW shows that there was a smaller proportion of households who owned their dwelling; a larger proportion purchasing their dwelling; and a similar proportion who were renters.

Overall, 31.2% of households owned their dwelling; 33.3% were purchasing, and 26.5% were renting, compared with 35.5%, 28.6% and 26.5% respectively for Regional NSW.

The largest changes in housing tenure categories for the households in Cessnock City between 2011 and 2016 were:

- Renting - Private (+845 households)
- Mortgage (+225 households)

Household income

Analysis of household income levels in Cessnock City in 2016 compared to Regional NSW shows that there was a smaller proportion of high income households (those earning \$2,500 per week or more) and a similar proportion of low income households (those earning less than \$650 per week).

Overall, 14.0% of the households earned a high income and 21.6% were low income households, compared with 14.6% and 22.0% respectively for Regional NSW.

Figure 7: Household Income.

Weekly household income, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

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Source: profile.id.com.au/cessnock.

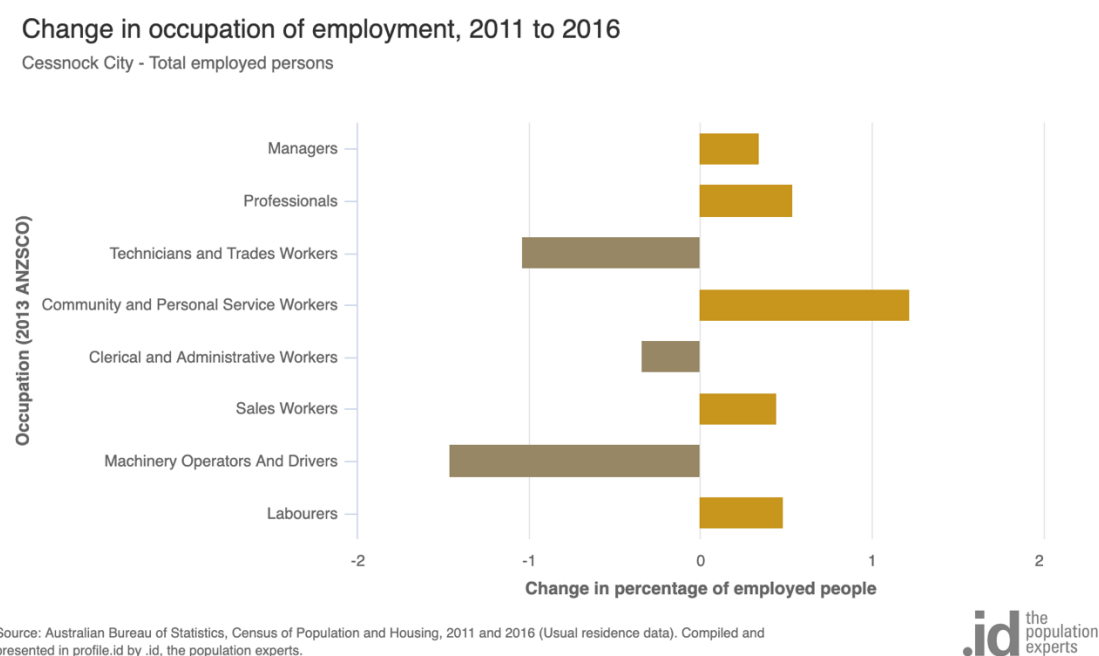
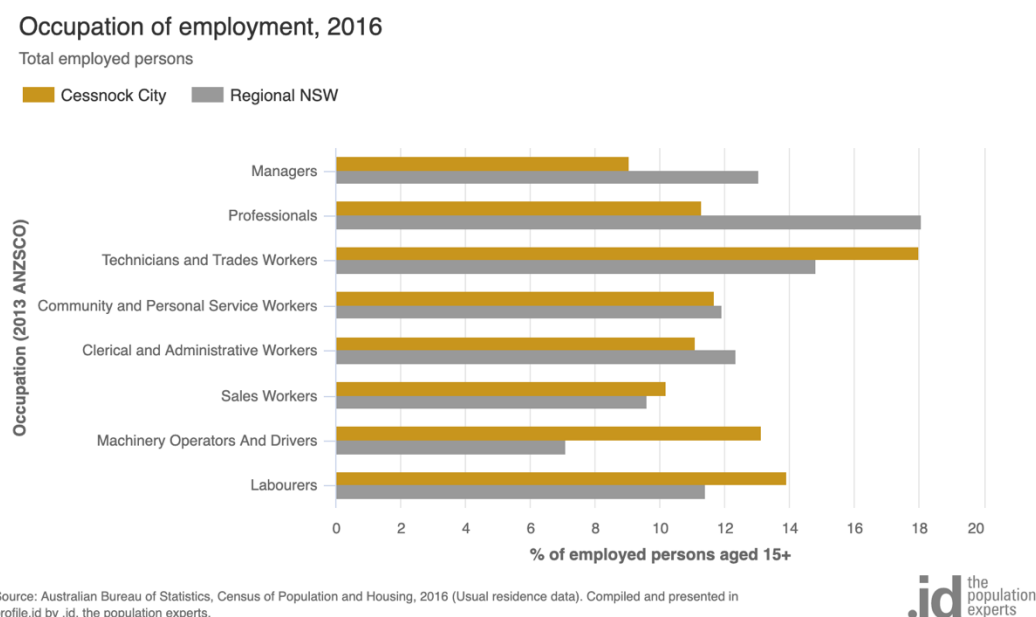
Employment and 'Local' or 'Key' Workers

An analysis of the jobs held by the resident population in Cessnock City in 2016 shows the three most popular occupations were:

- Technicians and Trades Workers (3,890 people or 18.0%)
- Labourers (3,009 people or 13.9%)
- Machinery Operators and Drivers (2,838 people or 13.1%)

In combination these three occupations accounted for 9,737 people in total or 45.1% of the employed resident population.

Figure 8: Occupation of employment.



Source: profile.id.com.au/cessnock.

The largest changes in the occupations of residents between 2011 and 2016 in Cessnock City were for those employed as:

- Community and Personal Service Workers (+341 persons)
- Machinery Operators And Drivers (-209 persons)
- Labourers (+202 persons)
- Professionals (+195 persons)

Key workers are a special employment group that is typically made up of those workers who provide essential services to the community such as teachers, nurses, police and fire persons etc. They are usually singled out in metropolitan housing policy contexts because they are often displaced from the areas where they work because they cannot afford housing costs. This is not relevant to Cessnock, as housing is relatively affordable to this group.

Housing Demand

Projected dwelling demand

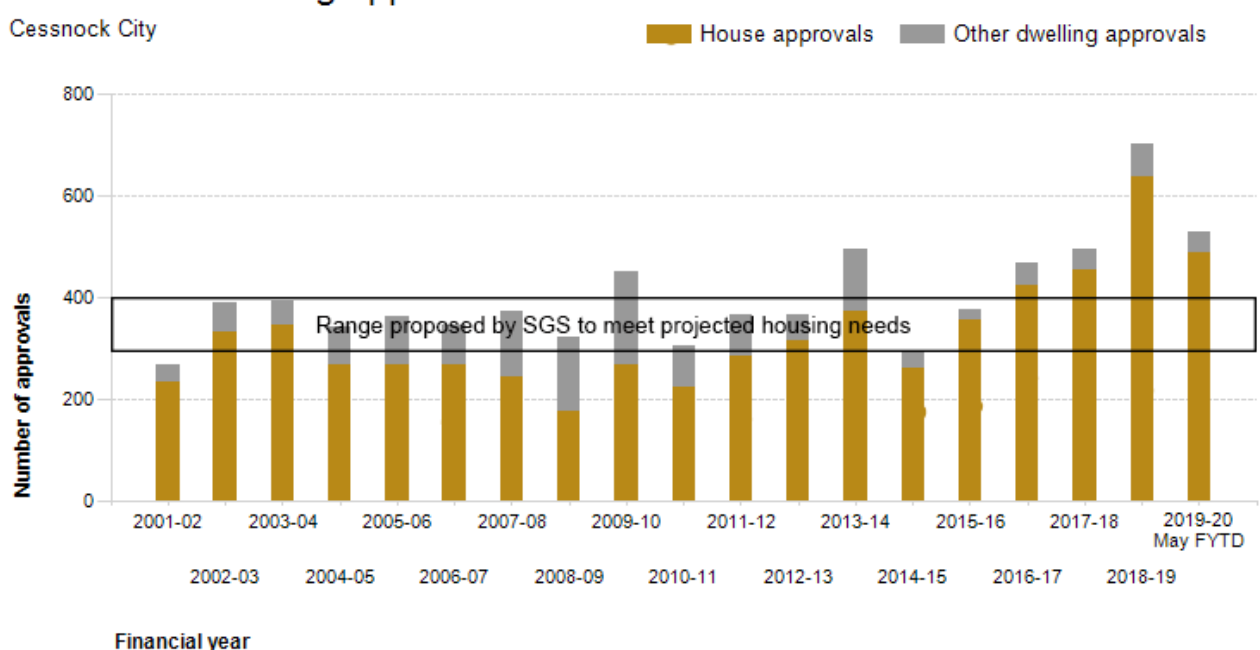
Housing demand can be represented in different ways. At its simplest, housing demand can be expressed as the number of new dwellings needed to meet the projected population growth in projected dwelling demand.

Based on various projection scenarios demand for housing in Cessnock in the medium term is likely to remain modest at 300 to 400 dwellings per year (SGS Economics and Planning, 2017). The DPIE estimate that an additional 6500 dwellings will be required in the 20 years to 2036. This equates to 325 per annum which is consistent with these figures.

Based on residential building approvals, the approval of dwellings is consistently above 300 dwellings per annum.

Figure 9: Residential building approvals 2001-2020.

Residential building approvals



Source: Australian Bureau of Statistics, Building Approvals, Australia (8731.0). Compiled and presented by .id, the population experts.

.id the population experts

Source: id.com.au/cessnock.. The number of new dwellings required (300-400) to meet anticipated demand. Source: SGS Report.

Projected dwelling-type demand

More nuanced demand modelling can look at household characteristics, such as household size or household make up, predicted age of the future population etc. and make recommendations about future housing products that meets these characteristics. However, accurate predictions at this level are fallible. For example, the assumption that empty-nesters or older people want to down-size may not be accurate. In fact, many wish to continue to have additional space for family or hobby-rooms or age in a familiar environment and within an established community. Similarly, the assumption that families with small children want to live in suburbia is a generalisation with many young parents set on maintaining an urban lifestyle.

Despite the inherent flaws in any modelling exercise, it is clear that the dominance of detached dwellings, with more than 3 bedrooms (see Figure 4, Figure 5 and Figure 9) and the relative paucity of other dwellings types does not reflect the diversity of our community and therefore it is unlikely to address their housing needs.

Summary

These population and housing statistics show that Cessnock is growing at a relatively, moderate rate with a projected future growth rate of 1.6% over the next 16 years to 2036.

Consistent with most Australian communities, our population is aging and household sizes are predicted to drop coinciding with a rise in *couple only* and *single person* households. These household types are those that are anticipated to experience the most significant growth between 2016 and 2036. This is consistent with population trends observed across the country. Other household types will continue to grow also with *couples with children* and *single parent households* contributing to the additional 9,212 households by 2036.

Renting will continue to play an important role in Cessnock's housing market as will home purchases but there is no significant difference between our region and the rest of Regional NSW. Again, the matching of the dwelling type to the diversity of households in the rental market will be important.

The current income and rental and mortgage costs indicate that housing across Cessnock is affordable for most households but those on low and very-low incomes are experiencing housing stress when purchasing homes or renting. This is discussed further in the Housing affordability section.

Housing Strategy

This strategy has adopted a modified version of the housing continuum concept as a means to address the different housing challenges and opportunities in our community. The housing continuum is the representation of the spectrum of housing needs in any one community. This strategy *does not* only deal with affordable housing and market housing but it recognises the wide diversity of housing needs in our community. The strategy attempts to capture all the housing needs of our community to ensure that all our residents have access to appropriate housing.

The housing continuum is often divided into broad housing categories from homelessness to market housing. However, the continuum is far more nuanced than this and any one of these broad categories can be further explored. For example; homelessness includes rough sleepers, couch-surfers or people staying with friends or family

because they have no independent housing options. Each of these present different challenges and may require different interventions. Similarly, home ownership could be considered from the perspective of first home buyers, empty-nesters, seniors living or new families. Again, each of these groups may have different housing needs or preferences.

The housing continuum concept illustrates how important it is to address all the housing needs in our community. The continuum is a complex interaction of people, housing and circumstances. Any one or more of these variables, positive or negative may change a person's housing circumstance. The following diagram illustrates a few examples of how people might move between housing at different life stages or after life events and illustrates how most of us are vulnerable.

Figure 10: A modified version of the housing continuum.



Homelessness

Homelessness is one of our most complex housing challenges. It is a challenge that is often more than not having access to safe shelter or independent accommodation. Housing is a complex interaction of people, circumstances and housing and some homeless people have significant barriers to overcoming their situation.

There is a strong misconception about those who are homeless people. People experiencing homelessness include those who sleep rough on the streets but they only represent 7% of the homeless population. Men, women, young people and families that move from one temporary accommodation to another are also considered to be homeless. There are Australians of all ages who 'couch surf' or stay with friends and family for limited periods of time, move between cheap accommodation or live in their cars. These homeless groups make up the majority of the homeless community.

The following statistics have come from the Census 2016 and show a reduction in the number of homeless people in Cessnock between 2011 and 2016. However, community housing providers who work in this space have estimated the number of homeless people to be significantly higher.

Table 4: Estimated number of Homeless People in Cessnock LGA (2011 and 2016).

Census year	Number of Homeless people	%Change
2011	141	
2016	106	-25%

Source: 2049.0 - Census of Population and Housing: Estimating homelessness, All Homeless Persons, by place of enumeration, Local Government Area.

In 2020, Department of Communities and Justice undertook a street-count of homeless people across the Hunter. This count recorded 8 people in Cessnock. However, this is not considered to be an accurate representation of homelessness in our community because this exercise only counted people sleeping rough in public spaces. It is widely accepted that there are difficulties in gaining a true measure of homelessness through Census data and the groups that are often underrepresented.

Council is a member of the [Big Ideas on Homelessness Network](#) who have been working with

Hunter Councils and Members of Parliament to develop a regional strategy for homelessness. Council will continue to be represented in this forum and advance the development of the strategy.

The NSW Government issued a [Protocol for Homeless People in Public Places](#). These guidelines inform how Council Officers help to ensure that homeless people are treated respectfully and appropriately and are not discriminated against on the basis of their situation. Council officers operate in accordance with this protocol. In October 2019, the NSW Parliament announced they would be undertaking an Inquiry into the Protocol to evaluate how the Protocol is working in practice. The report has not been released as yet.

What we want to achieve:

1. Our community housing providers are supported to undertake their work with our homeless community.
2. Council is a strong advocate of community housing providers operating across Cessnock.
3. Our homeless community will be treated with dignity and respect.
4. Appropriate housing is built to reduce homelessness.
5. Housing diversity will be promoted to provide a variety of housing products and price points.

What we will do:

Council will:

1. Continue to operate in accordance with the NSW Government [Protocol for Homeless People in Public Places](#).
2. Continue to be a member of the [Big Ideas on Homelessness Network](#) and work towards developing a regional strategy for homelessness.
3. Add a fee waiver category¹ of 'Registered Community Housing Providers' and waive fees for planning proposals and development applications where the proposal includes housing for homeless people.
4. Review its contributions framework to support registered Community Housing Providers who provide housing services for homeless people (See [Development Contributions Framework](#)).
5. Investigate opportunities to participate in the provision of social, community and affordable housing through joint venture or other initiatives.
6. Continue to advocate on behalf of our homeless community.

Emergency shelter or crisis housing

Emergency shelter or crisis housing is provided for people who do not have a home due to an eviction, family dispute or domestic violence. It may also be that the person/s is leaving another system such as hospital or incarceration. Emergency shelters are meant to offer shelter for a short period of time until they can move to a more permanent form of housing.

The State Department provides emergency temporary accommodation for up to 3-months for people who are not eligible for social housing, but who are experiencing a short-term housing crisis. People belonging to this vulnerable group are at high-risk of homelessness.

Council's does not have a direct role in this type of housing; however, supporting those housing providers who provide this service and advocating on their behalf is an important contribution Council can make.

What we want to achieve:

1. Our community housing providers are supported to undertake their work with our community.
2. Council is a strong advocate of community housing providers operating across Cessnock.

What we will do:

Council will:

1. Add a fee waiver category of 'Registered Community Housing Providers' and waive fees for planning proposals and development applications where the proposal includes housing for emergency shelter or crisis housing.
2. Review its contributions framework to support registered Community Housing Providers who provide emergency shelter or crisis housing services (See [Development Contributions Framework](#)).
3. Investigate opportunities to participate in the provision of social, community and affordable housing through joint venture or other initiatives.
4. Continue to advocate for Community Housing Providers and their work in our area.

Permanent Supportive Housing

Permanent supportive housing provides housing that is bundled with support services. This housing model is an evolution of transitional housing which sought to move people from a homeless-state to a housed-state with support services. The key difference between transitional housing and permanent supportive housing is that, permanent supportive accommodation seeks to provide an enduring solution either through, permanent housing with support services, permanent housing or independent housing with support services. The focus is on a permanent solution rather than a transition from one housing situation to another.

One model that exists in Brisbane and Adelaide that has demonstrated significant success is 'Common Ground'. Common Ground is first and foremost a housing model. It is a permanent supportive housing solution to end chronic homelessness. The Newcastle-based, Big Ideas on Homelessness Network is lobbying the Government for an equivalent 'Common Ground' facility to be established in Newcastle. The Common Ground Newcastle concept was presented to the Hunter Joint Organisation of Councils in July 2019 and the group provided their official 'in principle support' statement in March 2020. A formal document, Common Ground – A Regional Strategy, together with the statement of support by the Hunter Joint Organisation of Councils was then submitted to the Minister for Families, Communities and Disabilities, the Hon Gareth Ward MP on 3rd March 2020.

Council has previously communicated that it is supportive of any services that provide housing with a wrap-around support model that meet the needs of chronically homeless people in our community. However, the location of the Common Ground facility in Newcastle and co-located 'one stop shop' services will be a barrier for some individuals experiencing chronic homelessness in our area.

What we want to achieve:

1. Our community housing providers are supported to undertake their work with our community.
2. Council is a strong advocate of community housing providers operating across Cessnock.

What we will do:

Council will:

1. Continue to support the Big Ideas on Homelessness Network to lobby Minister for Families, Communities and Disability Services to see 'Common Ground in Newcastle' established to serve the wider regional community through an outreach program that provides access to services, but also works with regional support providers to develop a comprehensive wrap-around service plan and accommodation support service to assist clients to maintain a tenancy in their preferred location.
2. Add a fee waiver category of 'Registered Community Housing Providers' and waive fees for planning proposals and development applications where the proposal includes housing for emergency shelter or crisis housing.
3. Review its contributions framework to support registered Community Housing Providers who provide emergency shelter or crisis housing services (See [Development Contributions Framework](#)).
4. Investigate opportunities to participate in the provision of social, community and affordable housing through joint venture or other initiatives.
5. Continue to advocate for Community Housing Providers and their work in our area.
6. Continue to advocate for access to specialist housing services for our community.

Seniors' housing and seniors' living

Seniors' housing is a specialised housing product that caters for older persons – that is, people over 55 years of age. The State Government sought to facilitate the delivery of seniors' housing (including residential care facilities, hostels and self-contained dwellings) through the [State Environmental Planning Policy \(Housing for Seniors or People with a Disability\) 2004](#) which set aside local planning controls that would prevent the development of seniors' housing.

Seniors' living is arguably a variant of seniors' housing, where the focus is more on lifestyle than care. There is a single seniors' living development in Cessnock which, according to the local real estate agents, sold well. Discussions with these agents indicate that there is a strong market for a seniors' living development locally that is currently not being met. Agents are aware of people leaving the area for lifestyle developments at Rutherford, Lake Macquarie and Port Stephens.

Once again, Council does not have significant influence in this housing area. However, if we are losing part of our community because we are not catering for a market that anecdotally exists, it is important to understand why the development industry has not responded. It is important that housing meets the needs and aspirations of our older population so that they can continue to live in their communities and established networks.

The [Housing Preferences Study](#) reported a preference for semi-detached dwellings and apartments by older persons. As our community ages, most of our older persons will continue to live in private housing. So, it is important that the housing stock accommodates the lifestyle preferences and needs of our aging population. This can be achieved by generating greater housing diversity in all residential areas including our villages where people can age in their community.

What we want to achieve?

1. Greater housing diversity is achieved.
2. Our community is able to satisfy their housing preferences and needs locally as they age.
3. Our older persons are encouraged to stay in their community.

What we will do.

Council will:

1. Consult with Development Industry representatives to:
 - a. Understand why there have been very few seniors' living developments built in our area;
 - b. Identify any barriers that may exist to providing seniors' housing development.
2. Remove any reasonable barriers to seniors' living development.
3. Encourage housing diversity in all our residential areas including our villages.

Specialist Disability Accommodation

Specialist Disability Accommodation refers to accommodation for people who require specialist housing solutions, including the delivery of support that caters for their functional impairment or very high support needs.

Cessnock has several specialist disability accommodation providers including 'Finding Yellow' – a *grass roots* accommodation service that was established almost 40 years ago. Based in Cessnock, Finding Yellow provides a supportive home environment for individuals with disability.

Specialist disability accommodation houses people who may have complex medical needs. As there are very few medical specialists in Cessnock, people are required to travel to access these services. The costs of travel to specialist services can be a significant burden and reduces the funding provided by the National Disability Insurance Scheme (NDIS) for individuals. Local Specialist Housing Providers strongly support the establishment of a local specialist service hub. The *multi-purpose* hub could accommodate visiting specialists and provide communication technology that would allow the community to access specialist services remotely.

What we want to achieve

1. Our specialist disability accommodation providers are supported to undertake their work in our community.
2. Council is a strong advocate of specialist disability accommodation operating across Cessnock.

What we will do.

Council will:

1. Explore opportunities to participate in the provision of specialist disability housing through joint venture or other direct initiatives.
2. Add a fee waiver category of 'Registered Community Housing Providers' and waive fees for planning proposals and development applications where the proposal includes specialist disability housing or services.
3. Review its contributions framework to support registered Community Housing Providers who provide specialist disability housing services (See Development Contributions Framework).
4. Continue to advocate for specialist disability accommodation providers and their in our community.
5. Advocate for the establishment of co-located specialist services for our community.
6. Advocate for the use of enhanced technology in the provision of specialist disability services.

Aboriginal Housing

The Aboriginal Housing Office (AHO) is a statutory body established under the *Aboriginal Housing Act 1998* (NSW) to ensure that Aboriginal and Torres Strait Islander people have access to affordable, quality housing. The AHO works in partnership with housing providers and Indigenous organisations to deliver effective housing services and strengthen the capacity of the Aboriginal housing sector.

There are a number of Aboriginal Housing Providers who operate in our community including Mindaribba Local Aboriginal Land Council and Barkuma Neighbourhood Centre. As with many of these community-driven housing initiatives, Council has a limited role in directly influencing housing outcomes. However, Council wishes to support Aboriginal housing providers to create opportunities for Aboriginal and Torres Strait Islander people to participate in the service delivery, management and governance of social and affordable housing in our community.

What we want to achieve

1. Our Aboriginal Housing Providers are supported to undertake their work in our community.
2. Council is a strong advocate of Aboriginal Housing Providers operating across Cessnock.

What we will do.

Council will:

1. Explore opportunities to participate in the provision of Aboriginal housing through joint venture initiatives with Aboriginal Housing Providers or other direct initiatives.
2. Add a fee waiver category of 'registered Aboriginal Housing Provider' and waive fees for planning proposals and development applications where the proposal includes housing for Aboriginal and Torres Strait Islander people.
3. Review its contributions framework to support registered Aboriginal Housing Providers who provide housing services for Aboriginal and Torres Strait Islander people (See [Development Contributions Framework](#)).
4. Investigate opportunities to participate in the provision of social, community and affordable housing through joint venture or other initiatives.
5. Continue to advocate for Aboriginal Housing providers and their work in our community.

Social or community housing

Social or community housing is made up of public housing, non-profit housing, co-operative housing and rent supplements through the Commonwealth Rental Assistance benefit. It is geared towards households on low and very-low incomes.

In 2016, there were 673 social housing dwellings in 2016 in Cessnock. Much of this housing stock is older and it has not been increased to meet demand or to meet the changes in households. So, there are significant waiting times to access appropriate social housing. This is a key factor influencing homelessness in the region (Big Ideas Homelessness Network, 2019).

Table 5: Social Housing waiting times in the Cessnock Local Government Area.

Bedrooms	1	2	3	4*
Wait times	5-10 years	5-10 years	2-5 years	5-10 years

Source: Australian Government Housing Data Set June 2001, June 2006, June 2008, June 2009, June 2010, June 2011 & June 2012.

There are significant wait times for 1, 2 and 4 bedroom social housing and a medium wait time for 3-bedroom households. This is likely to be the combination of the household types seeking social housing and also the housing stock that is available. In 2016, 44.6% of dwellings contained 3 bedroom dwellings and fewer than 3.2% were 1-bedroom or bedsitters (see Figure 5).

Commonwealth Rental Assistance (CRA)

Rent supplements through the Commonwealth Rental Assistance (CRA) have helped to ease some of the burden, with the tenant paying rent geared to income and a subsidy covering the difference between that amount and amount charged by the landlord for rent. There were 4,265 CRA recipients in 2016 in Cessnock. Almost 40% (1,665) of these recipients are reported to be in housing stress. Cessnock is relatively affordable compared to many neighbouring local governments. This high level of housing stress for CRA recipients may again be attributed in part, to a lack of housing diversity. The majority of housing in Cessnock is 3-4 bedroom detached dwellings. This type of housing comes at a premium and suited to family households. It is unlikely to suit smaller households or single people. Increasing housing diversity may provide a variety of

housing products and price points available to better suit household types and incomes.

Boarding Houses

Boarding houses are an important part of the social and community housing mix and provide a form of low cost, rental accommodation for a wide range of tenants including singles, retirees, students and young couples. The State Government, acknowledging the importance of this type of housing, continues to facilitate the approval of boarding houses through mechanisms such as the State Environmental Planning Policy (Affordable Rental Housing) 2009 and to improve regulation through the current review of the *Boarding Houses Act* 2012.

Council does have a significant role in the provision of boarding houses through the development assessment and compliance processes and in particular, guiding design outcomes for boarding houses. Once approved, a registered boarding house must then comply with the *Boarding Houses Act* 2012 which includes compliance with occupancy agreements and principles.

Boarding houses are burdened by a poor reputation because of traditional built forms and historic poor management. However, better regulation, improved design and accountability has meant that many of those issues have been addressed. Community Housing Providers are committed to overcome the communities' poor perceptions about boarding houses and Council can have a role in this by maintaining informed respectful discussions with the community for boarding houses and advocating for a change of name to acknowledge the new generation of boarding houses.

Community housing providers are offering innovative ways for councils and other organisations to participate in the delivery of social, community and affordable housing assets. Council as a landowner has an opportunity to leverage off these land assets and contribute to the supply of affordable housing and social housing. One successful model is the selling of the land to a community housing provider who provides a mixture of market housing, affordable housing (rental) and social housing. Council is provided an equivalent value in housing assets which can be sold to the market or alternatively retained by council for rental.

As of July 2020 the State Government released the [explanation of intended effects \(EIE\)](#) for the proposed Housing Diversity State Environmental Planning Policy. The intended purpose of the SEPP is to:

1. consolidate three existing SEPPs,
 - State Environmental Planning Policy (Affordable Rental Housing) 2009.
 - State Environmental Planning Policy (Housing for Seniors or People with a Disability) 2004.
 - State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes) (SEPP 70).
2. Introduce a further 3 housing definitions to the Standard LEP (for build-to-rent housing, student housing and co-living developments).
3. Amend various provisions of the existing SEPPs.

The proposed SEPP may have significant benefits, one of which is the rebranding and additional requirements for boarding housing which has been recommended in this strategy. Council will provide a submission to the Department on the EIE and proposed SEPP.

What we want to achieve:

1. Housing diversity will be promoted to provide a variety of housing typologies and configurations.
2. The amount and type of social and affordable housing is increased in Cessnock that responds to the characteristics of our existing and future community.
3. Our community housing providers are supported to undertake their work in our community.
4. Council is a strong advocate of community housing providers operating across Cessnock.

What we will do:

Council will:

1. Add a fee waiver category of 'Registered Community Housing Providers' and waive fees for planning proposals and development applications where the proposal includes social or community housing.
2. Lobby the NSW State Government to change the land-use term, 'boarding houses' and 'new generation boarding houses' to reflect the modern approach to the construction and management of this type of accommodation such as 'co-living housing'.
3. Support community housing providers to help educate the community about co-living housing.
4. Review its development controls for co-living housing:
 - a. to incorporate best design and management practice;
 - b. to describe for the purposes of [clause 30A](#) of the State Environmental Planning Policy (Affordable Rental Housing) 2009 what the 'character of the local area' means for our area;
5. Review its contributions framework to support registered Community Housing Providers who provide social and community housing (See [Development Contributions Framework](#)).
6. Investigate opportunities to participate in the provision of social, community and affordable housing through joint venture or other initiatives.
7. Council will comprehensively review its residential land use controls, including the Cessnock Local Environmental Plan, to encourage housing diversity.
8. Provide a submission to the Department of Planning, Investment and Environment on the SEPP (Housing Diversity) Explanation of Intend Effects.

Housing affordability

Housing affordability is commonly defined as the threshold at which housing costs exceed 30% of household income. This includes both rent and mortgages payments. When households spend more than 30% of their income on housing costs, there are fewer funds for living costs such as food, transportation and recreation and households are said to be experiencing housing stress.

Housing affordability is the focus of much government policy and intervention. Increasing the supply of affordable housing has been a key policy response from Australian Governments. At the Federal and state level, governments have installed private supply initiatives such as National Rental Affordability Scheme (NRAS) to increase affordable housing stock. However, the 2008 NRAS only required a 10-year commitment from private investors and therefore, it is unlikely to be an enduring solution.

The State's inclusion of additional low-impact residential developments in expedited assessment streams provided by the State Environmental Planning Policy (Exempt and Complying Development Codes) 2008, was in part to increase certainty, increase supply, reduce timeframes and therefore costs. However, Councils, including Cessnock, are now deploying counter-measures to address community concerns about neighbourhood change and property values.

Many councils have prepared their own detailed affordable housing strategies with complex interventions to incentivise developers and builders to provide affordable housing products. As with the State Government's SEPP intervention, many of these modifications have unintended consequences such as poor development outcomes, resistance from existing and establishing communities, and inadequate infrastructure provision. And few, have contributed to an enduring affordable housing product. Some jurisdictions have had success with interventions such as inclusionary zoning where council's mandate or incentivise the provision of

affordable dwellings or capturing a percentage of the *uplift* towards affordable housing options. However, these mechanisms are unlikely to be effective in Cessnock for two main reasons. The first is because there is little demand for high-density residential development where council would typically offer floor space or height bonuses in exchange for affordable housing. And secondly, we have around 25 years of zoned residential land³, so capturing uplift in the value of land is also no longer an option for council.

Affordable housing is often used as leverage by lobbyists of the development industry to justify the release of more land. In some parts of the state, particularly metropolitan areas, land supply is constrained. However, in Cessnock land supply is not an intervention that will lead to more affordable housing. The State Government encourages councils to maintain around 10-15 years of zoned land (Department of Planning and Environment, 2018, p. 45) because that is adequate time for future reserves to be investigated and brought forward (Australian Government, 2009, p. 51) and there is an adequate buffer if growth suddenly increases. It is also considered optimal because it generally means that development is occurring on fewer development fronts and therefore infrastructure can be funded and rolled-out logically and sequentially. In Cessnock, there around 25 years of land zoned for residential development which may actually undermine housing affordability. This over-supply of land is common for many regional councils. Often in these conditions, development is occurring on many fronts and it is difficult to fund the necessary infrastructure. Councils either rely on State Government Agencies (such as Transport for NSW) or utility providers (such as Hunter Water) to sequence development or seek government funding overcome infrastructure blockages.

The key message is that additional land release is not a valid intervention in Cessnock to increase the levels of affordable housing.

³ See Urban Growth Management Plan.

Affordable Rental

Affordable rentals can be owned publicly, privately or by a not-for-profit such as a community housing provider. In Cessnock, Compass Housing and PacificLink Housing are two major community housing providers.

The following figures are based on median income families. The value of these figures is that they indicate that if median income families are very close to experiencing housing stress then, then low and very-low income families are likely to be experiencing considerable difficulty with securing affordable rental properties (Big Ideas Homelessness Network, 2019). In Cessnock, the percentage of weekly income required to pay median rent is 28%. Therefore, it is approaching the affordable housing threshold for median income households. Therefore, very low and low households are likely to be experiencing housing stress.

Table 6: Affordable housing Gap (Median income) for Lower Hunter Councils.

LGA	Median rent (\$)	Weekly income required to rent affordably (\$)	Annual income required to rent affordably (\$)	Median weekly household income for households renting privately (\$)	Median annual household income for households renting privately (\$)	Percentage of weekly income required to pay median rent (%)
Cessnock	330	1,100	57,200	1,164	60,528	28%
Lake Macquarie	400	1,333	69,333	1,283	66,716	31%
Maitland	370	1,233	64,133	1,332	69,264	28%
Newcastle	400	1,333	69,333	1,392	72,384	29%
Port Stephens	395	1,317	68,467	1,140	59,280	35%
Upper Hunter	250	833	43,333	1,223	63,596	20%

Source: (Big Ideas Homelessness Network, 2019).

Rental stress

As predicted from the median income data above, almost all (92%) of very-low income households and 52% of low income households in Cessnock are reported to be in housing stress. These households are a very vulnerable part of our community. Therefore, substantial effort should be dedicated to this area of housing to provide more affordable housing stock and to bolster community housing providers to provide social housing.

Table 7: Number of Cessnock households in rental stress.

	Number	%	% NSW
Very-Low Income Households	1,156	92%	89%
Low Income Households	664	52%	58%
Moderate Income Households	196	20%	23%

Source: www.nswlocalgovernmenthousingkit.com.au. Based on 2016 Census Data.

Change in Affordable Rental Stock: 2001 – 2017

Table 8 indicates that there has been a substantial fall in affordable rental housing stock for very-low income households between 2001 (86.4%) and 2016 (37.9%). Once again, this reiterates how vulnerable this part of our community is to changes in the rental market and the importance of increasing affordable housing stock and social housing.

Table 8: Change in affordable rental stock between 2001 and 2016.

	2001	2006	2011	2016
Very-Low Income Households	86.4%	70%	19%	37.9%
Low Income Households	96.0%	91.6%	66.1%	89.4%
Moderate Income Households	98.1%	96.4%	90.5%	96.0%

Source: www.nswlocalgovernmenthousingkit.com.au. Based on Census Data. Note: There are revisions to Census releases across years and also a slight change in methodology in June quarter 2017 onwards and hence not all figures are comparable.

What we want to achieve:

1. Housing diversity will be promoted to provide a variety of housing products and price points.
2. The amount of social and affordable housing is increased and the type of product responds to the needs of our community.
3. Our community housing providers are supported to undertake their work in our community.
4. Council is a strong advocate of community housing providers operating across Cessnock.

What we will do:

Council will:

1. Explore opportunities to participate in the provision of social, community and affordable housing through joint venture or other direct initiatives.
2. Comprehensively review its residential land-use controls, including the Cessnock Local Environmental Plan to encourage housing diversity.
3. Add a fee waiver category of 'Registered Community Housing Providers' and waive fees for planning proposals and development applications where the proposal includes housing for homeless people.
4. Review its contributions framework to support registered Community Housing Providers who provide housing services for homeless people (See [Development Contributions Framework](#)).
5. Investigate opportunities to participate in the provision of social, community and affordable housing through joint venture or other initiatives.

Affordable Home-Ownership

Like affordable rental, affordable home ownership is where mortgage costs are less than 30% of household income. Once again, across Cessnock it is those very-low income households that are most frequently experiencing housing purchase stress (452 or 65%). Whilst this group of households is arguably less vulnerable than those in affordable rental because they are contributing towards their own investment, they are particularly sensitive to changes in income, life circumstances and increased mortgage rates.

Purchase stress

The majority (65%) of very-low income households are reported to be in purchase stress which is slightly higher than NSW at 62%. According to 2016 Census data, 33% of low-income households and 19% of moderate income households are also experiencing purchase stress.

Table 9: Number of Households in purchase stress.

	Number	%	% NSW
Very-low Income Households	452	65%	62%
Low Income Households	380	33%	26%
Moderate Income Households	331	19%	21%

Source: www.nswlocalgovernmenthousingkit.com.au. Based on 2016 Census Data.

Change in Affordable Housing Stock for Purchase: 2001 – 2017

In 2001, 56.9% of homes were affordable for purchase by very-low income households. In 2016 this had dropped to 8.0%. The impact on low-income and moderate-income households was less significant. However, there was a 25% reduction in affordable housing stock for low-income households and 5.5% for moderate-income households over the same period.

Table 10: Change in affordable housing stock for purchase between 2001 – 2016.

	2001	2006	2011	2016
Very-low Income Households	56.9%	0.6%	1.5%	8.0%
Low Income Households	86.9%	33.8%	30.3%	62.1%
Moderate Income Households	95.1%	81.2%	73.9%	89.6%

Source: www.nswlocalgovernmenthousingkit.com.au. Based on Census Data. Note: There are revisions to Census releases across years and also a slight change in methodology in June quarter 2017 onwards and hence not all figures are comparable.

The recent First Home Loan Deposit Scheme that commenced in 2020 has seen an increase in first home ownership in Cessnock. Local Real Estate Agents have observed that many of these first home buyers are coming from elsewhere in the Hunter and the Central Coast because Cessnock is more affordable. This is supported by the statistics that indicate that housing in Cessnock is relatively affordable for those on median incomes and above and for the majority of households on low incomes.

Housing is a dynamic area and the current, relative affordability of housing in Cessnock may change dramatically as is shown by changes in affordability between 2001 and 2011. Therefore, Council should take the opportunity to implement measures that support the ongoing affordability of housing. There are a number of areas where Council can help deliver more affordable housing. These are:

1. Regulatory efficiency and effectiveness
2. Development contributions framework
3. Housing diversity
4. Compact urban centres (infill development).

Regulatory efficiency and effectiveness

Planning consent is still required for residential housing types that do not fall within the complying development stream. Council's assessment timeframes are significantly less than the State average and council will strive to maintain these results and improve processing efficiencies where possible. An efficient assessment system reduces the financial burden on housing providers.

Table 11: Application Determination time frames (determination days) for FY18.

	Cessnock	State average
Average determination days	42	66
Median determination days	26	39

Source: <https://www.planningportal.nsw.gov.au/local-development-performance-monitoring-ldpm>.

Where significant gains in the delivery of affordable housing and housing diversity could be made is through the review of the Cessnock Local Environmental Plan (LEP) and Development Control Plan (DCP). The LEP should ensure that a variety of housing types is permitted in appropriate land-use zones and the DCP should ensure that development standards are reasonable and encourage good design outcomes. To that end, Council will work closely with the housing industry to understand how the regulatory framework is impacting the delivery of housing diversity and to review the development standards to encourage viable, diverse, well-designed housing options.

Development Contributions Framework

NSW Councils maintain a development contributions framework in accordance with the *Environmental Planning and Assessment Act 1979* and its regulation. This framework generally funds infrastructure that is either required by or generated by the new development. Contributions are an important part of the development process as it helps council fund the

various infrastructure required to service the community such as recreation and community facilities, libraries and roads.

Development contributions have an important role in shaping our towns and cities. In established areas, contributions are substantially lower than greenfield areas because much of the infrastructure already exists. Encouraging development within our existing urban footprint supports many of the objectives of the regional, subregional and local planning strategies to encourage a compact city, reduce sprawl, protect rural and environmental lands and support centres.

Contributions can also be manipulated to encourage certain development outcomes. For example; Council's s7.11 Contributions Plan discounts the contribution for secondary dwellings by 50% and seniors housing provided by a social housing provider is exempt from contributions. There are certain housing outcomes stated in this strategy that could be encouraged by manipulating our contributions frameworks such as contribution reductions for those Community Housing Providers who provide housing solutions for people facing disadvantage in our community. These targeted interventions would need to be considered carefully to ensure that the right balance between incentive and contribution is achieved.

For all development, the Cessnock s7.11 Contribution Plan requires that contributions are paid at the first of the following stages in the development process: construction certificate, subdivision works construction certificate or complying development certificate, subdivision works certificate or subdivision certificate. The timing of this condition reduces the risk to Council; however, it is a financial overhead that the development and housing industry wear until the development is sold. While this is accepted practice, an alternative approach could be to move the contribution payment point to the occupation certificate or subdivision certificate stage. This is not something that Cessnock can initiate alone and it will require State Government intervention but Council could lobby for a review of the contributions system to reduce the financial burden on the development and housing industries to reduce housing costs.

Housing diversity

Housing diversity makes an important contribution to housing affordability. Different housing products provide different price points and also allows households to move between different housing products throughout their lives. Cessnock's housing stock is not diverse. In 2016, 89.3% of dwellings were detached and 72.5% were 3 or more bedrooms. Over the 5-year period to 2016, the greatest increase in housing stock were dwellings with 4-bedrooms (+890) and 5 bedrooms or more (+166).

The State Government through the SEPP (Exempt and Complying Development Codes) 2008 has expedited the assessment of certain complying housing products such as dual occupancies, attached housing, secondary dwellings, manor houses and terraces. Multi-unit dwellings, residential flat buildings, shop-top housing are still assessed by council against the provisions of the Cessnock Local Environmental Plan and Development Control Plan. As stated under Regulatory efficiency and effectiveness above, Council is committed to work with the housing industry to understand how the regulatory framework is impacting the delivery of housing diversity and to review the development standards to encourage viable, diverse, well-designed housing options.

As stated earlier, as of July 2020 the State Government has released an Explanation of Intended Effects for a proposed Housing Diversity SEPP. The proposed SEPP may have significant benefits. However, housing diversity is unlikely to be achieved by adding additional land-use terms and the proposed additional housing types (build-to-rent and student housing) are unlikely to be relevant in our area. Our housing diversity challenge is to increase the relative number of non-detached dwellings such as dual occupancies, medium density dwellings,

shop-top housings and residential flat buildings. Other than boarding houses (or co-living housing) the EIE offers no means to help Councils to address this imbalance. Council will provide a submission to the Department on the EIE and proposed SEPP.

Compact urban centres (infill development)

Infrastructure is a significant contributor to greenfield housing costs. Roads, sewer, reticulated water, stormwater, telecommunications, street lighting are all costs that need to be recovered from the sale of land. Infill development, or development within existing urban areas, has fewer costs because much of the infrastructure already exists and there is usually sufficient capacity to accommodate additional dwellings.

Cessnock has many established areas with ageing housing stock on large lots that may be suitable for redevelopment to accommodate higher residential densities. There are a number of ways that Council can facilitate infill development. The most direct intervention is by the employment of land-use zones that support higher density development types such as the R3 Medium Density zone. However, this is a blanket approach and cannot respond to the merit of a higher density development on a specific site. Where there is significant merit for higher density development with an existing urban area, in a land use zone that does not permit that use, Council may agree to a site-specific additional permitted use provision to enable that development.

The delineation of the existing R3 zones across Cessnock was based on the 10-minute walk criterion (equivalent to 800m) which is an accepted, reasonable walk distance from centres and public transport hubs. However, that metric is metro-centric, pedestrian-focussed and aimed at delimiting high-density residential development (usually around train stations). It is less relevant to regional areas. In Cessnock, the age of housing stock and the size of lots around the town centres and along transport routes is a more appropriate approach.

There is a strong relationship between land value and higher-density development. Higher land values are usually attributed to amenity or access advantages such as being opposite a park or close to town. Prioritising streetscape improvements, such as street-trees in those areas where council would like to encourage greater densities may make those areas more attractive to live and thereby generate demand for housing in those areas.

Medium-density development can fundamentally change an established neighbourhood and may be met with resistance from existing residents. Therefore, rezoning these areas to R3 medium density or enabling an additional permitted use, has to be done in consultation with the community and

accompanied by design controls that encourage good design outcomes (Kelly, Breadon, & Reichl, 2011).

What we want to achieve:

1. An efficient and effective regulatory system.
2. Higher levels of medium-density development types in appropriate areas.
3. A variety of housing products and price points.
4. Greater infill development within existing centres and along transport routes.
5. A contributions framework that is transparent and accountable and ensures that development is funding without subsidy from public funds.

What we will do:

Council will:

1. Maintain timeframes and improve regulatory efficiencies where possible.
2. Continue to lead on Local Government e-planning initiatives.
3. Undertake a comprehensive review of the Cessnock Local Environmental Plan 2011 to:
 - a. Review residential and business land use zones and the residential uses therein.
 - b. Review the extent and location of the R3 Medium Density zone.
4. Work collaboratively with representatives of the housing industry to review the development controls in the Cessnock Local Environmental Plan and Cessnock Development Control Plan.
5. Prepare an Urban Growth Management Strategy to help inform the logical delivery of new development across Cessnock.
6. Prepare a Greener Places, Urban Forest Policy and Street Tree Policy.
7. Continue to implement town centre public domain plans for Cessnock, Branxton, Kurri Kurri and Weston.
8. Continue to implement Council's Pedestrian Access and Mobility Plan.
9. Lobby the NSW State Government to review the timing of section 7.11/7.12 contributions to reduce the financial burden on the development and housing industries.

Affordable Living

Affordable living is the recognition that housing in locations with good access to public transport, employment, recreation and entertainment and services can reduce living costs. There may be a premium on housing costs, such as higher rents, but these may be offset by reduced transport costs. Typically this is achieved in compact, mixed-use centres; however, it can also occur with good access to public transport. Again, affordable living sits better in a metropolitan context and may not be that applicable to Cessnock. Regardless, compact, mixed-use centres are sound principles of planning and urbanism and supporting residential development within and surrounding our established centres is a goal of the Cessnock Local Strategic Planning Statement.

Affordable living also acknowledges that well-designed buildings and well-oriented lots can reduce energy consumption, thereby reducing living costs. Council's role in regulating residential development is limited by State Government interventions but where applications are assessed by council, a strong policy framework to achieve good development outcomes can go somewhat towards better subdivisions and building design.

What we want to achieve:

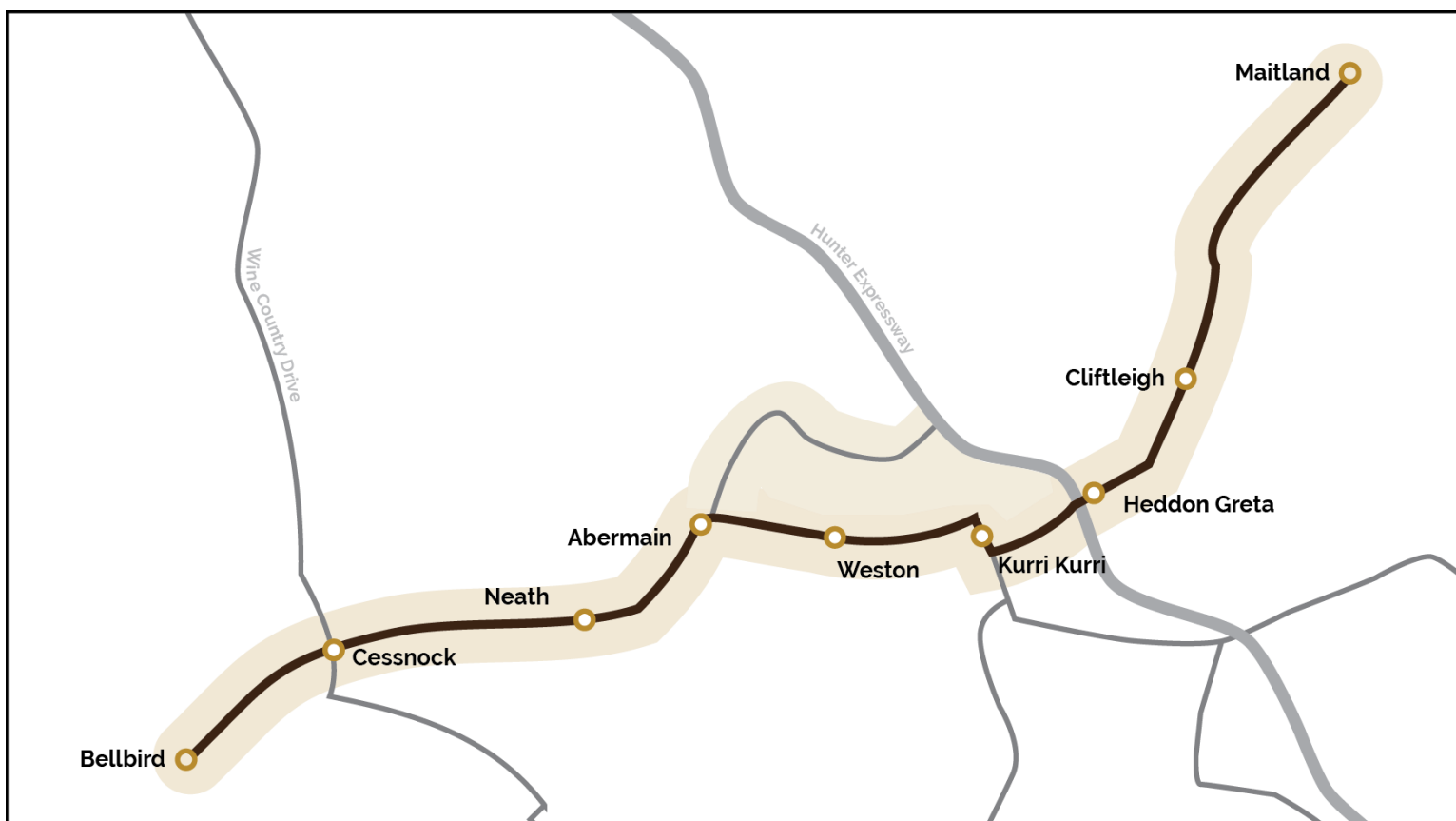
1. Our urban areas are compact and well-served.
2. Encourage infill development within our established urban areas.
3. Encourage development in areas that are designed, located and appropriately serviced to reduce living costs.
4. Provide open space, transport and community facilities in urban release areas and designed to meet the needs of residents.
5. Concentrate social infrastructure in existing and emerging urban centres.
6. Ensure that our town centres are highly accessible to all types of transport.
7. Promote residential development along unconstrained areas of the Cessnock to Maitland Growth Corridor (Figure 11)

What we will do:

Council will:

1. Prepare a town centre place-making strategy to encourage development and investment that will increase activation, amenity and use of existing sites in our centres.
2. Review the Cessnock Local Environmental Plan:
 - a. To review minimum lot size and subdivision controls to promote higher density around urban centres, key transport nodes and along major road corridors.
3. Prepare a Greener Places Policy and Street Tree Policy.
4. Continue to implement Council's adopted plan for access and mobility, recreation and open space, traffic and transport and community.

Figure 11: Bellbird to Maitland Corridor.



Market-based housing

Market-based housing is housing that is provided by the private sector and where there is no intervention by public authorities or community organisations to support access by disadvantaged groups. The majority of housing falls into this category and it is this *housing* where Council has a significant role. Council's main roles in market-based housing are around:

1. Land supply.
2. Zoning and permissibility.
3. Development approvals.
4. Ensuring that infrastructure is appropriately funded through its contribution framework.

Land supply

Land supply is a key responsibility of Council. Council, through its land-use strategies, such as the Cessnock Local Strategic Planning Statement (LSPS) sets the policy framework to guide future development of our area. This includes where to accommodate future growth which is accomplished by increasing densities in existing urban areas or by rezoning *greenfield* land from one zone to another; for example, from rural to residential.

As the local planning authority, councils generally⁴ have control over land supply; however, this authority is commonly undermined by powerful interests and misinformation that cause some councils to bring forward additional supply (Buxton, 2014): Affordable housing is a frequently used argument. This is an important observation as surplus, developable land may actually undermine housing affordability. For example; surplus land may be symptomatic of land-banking; where the amount and timing of land released onto the market is manipulated to increase profits (Australian Housing and Urban Research Institute, 2010). Research into the costs of housing identifies the following additional factors: finance, planning, infrastructure and construction costs (Kelly, Breadon, & Reichl, 2011). Surplus land supply allows development to occur on multiple, simultaneous fronts which can lead to inefficiencies in infrastructure provision and problems with sequencing. There are examples⁵ in the Hunter where the State Government has had to fund enabling infrastructure that would, ordinarily be paid for through a local contribution framework.

Land supply also plays an important role in other planning objectives particularly supporting existing centres, reducing infrastructure costs and protecting rural and environmental lands. The GNMP requires councils to contribute to the 60% infill development⁶

target for the Greater Newcastle Metropolitan Area. However, it is very difficult to achieve this as developers are reluctant to change building practices from predominantly detached housing while land supply is so high (Buxton, M; Scheurer, J, 2005).

In summary, Councils are encouraged to maintain a supply of 10-15 years because at this level:

1. There is sufficient time to investigate and approve new areas for development.
2. It provides enough surplus to accommodate any significant increases in demand.
3. It reduces the development fronts thereby concentrating infrastructure contributions and leading to improved infrastructure sequencing.

Cessnock currently has around 25 years of greenfield land available⁷. However this figure is based on a number of assumptions. When tested under different scenarios there is *at least* 25 years supply. For example, this figure is based on a single dwelling on a single lot when we know that a moderate proportion of new dwellings are dual occupancies (9%), secondary dwelling (6%) and apartment (0.5%) typologies. We also know that a goal of the Greater Newcastle Metropolitan Plan 2036 is for councils to contribute towards the 60% infill target for the sub-region and that infill development is already contributing to the delivery of new housing in our area. Therefore, some of the 300-400 new dwellings needed each year to house our growing community will be provided within our existing urban footprint or in medium-density developments, meaning fewer

⁴ There are examples across the State where the State Government intervened to approve large urban developments that were opposed by the local councils.

⁵ Examples include: Housing Acceleration Fund – Lochinvar Intersection.

⁶ Infill is development that occurs within an existing urban area.

⁷ See Urban Growth Management Plan.

greenfield lots will be required and further increasing our existing land supply.

This amount of zoned land significantly exceeds what is necessary to meet our housing needs.

Table 12: Number of years supply of zoned residential land.

	Scenario 1* (based on min. lot size. E.g 450m ²)	Scenario 2# (based on larger lot-size. E.g 600m ²)
300 dwellings p/a	31 years	26 years
400 dwellings p/a	24 years	19 years

Source: Draft Cessnock Urban Growth Management Plan.
 * Scenario 1 is based on known or expected lots and applying the minimum lot size to the remaining area.
 # Scenario 2 is based on known or expected lots and applying a more likely minimum lot sizes (i.e. 600m²) to the remaining area.

There are further considerations as well. For example, there are other land reserves already in the *pipeline*. The redevelopment of the Hydro site is expected to deliver 1435 residential lots which would equate to another 4 years. The Vintage and Golden Bear sites have not be counted in these figures because they are primarily tourism developments; however, they will contribute to the future housing stock. Finally, the the Anvil Creek Urban Release Area has a significantly greater capacity than the 1364 residential lots identified in the planning agreement if components of that development do not proceed.

In summary, there is a significant excess of land available (above the 10-15 year supply) for greenfield development purposes across Cessnock. It is now up to the development and housing industries to respond to the market and develop the land for urban purposes.

Council's main role going forward is to monitor growth, new housing and the take up of residential land and when land supply approaches the 15-year supply threshold, to begin investigation of other areas for urban development so that the pipeline remains active and responsive.

Because of past decisions to release additional land ahead of need and other factors, infrastructure, costs and sequencing have become a problem in several areas. In these areas, Council's may have a further role to help overcome these infrastructure blockages through advocacy, as intermediaries between developers and government departments or funding.

What we want to achieve:

1. Maintain a 10-15 year supply of zoned land for residential development.
2. Identify development opportunities within existing urban areas and consider yields in those areas in its commitment to maintaining a 10-15 years of supply of land for residential development.
3. Bring back into balance the significant oversupply of zoned greenfield land that currently exists.
4. Maintain a contributions framework that is transparent and accountable and ensures that development is funding without subsidy from public funds.

What we will do:

Council will:

1. Commence investigating additional greenfield land when the land supply falls within a 10-15 year threshold.
2. Prepare an Annual Monitoring Report:
 - a. To report on land and housing supply and demand.
 - b. To inform when it is necessary to investigate the provision of additional land for development.
3. Ensure that infrastructure is appropriately funded by the developer.
4. Prepare an Urban Growth Management Plan to help inform the logical delivery of new development across Cessnock.

Land release

While Council does have some authority over land supply it has very little influence on when land is released. Once the land is rezoned, the development industry determines when the land is developed. Land banking or other withholding behaviours can distort the quantity of land that is actually available for development. In NSW, there is currently no mechanism to deter land-banking such as time-limited consents and there is no way to require landowners to develop land⁸. Other issues, such as infrastructure items can also substantially affect the release of land. It is important that infrastructure is identified in the contribution frameworks, appropriately funded and development is sequenced in a manner that funds these items. Where there is a shortfall in contributions, those infrastructure costs are either borne by the community as Council revenue is diverted away from other infrastructure or alternatively through State Interventions such as the Housing Acceleration Fund.

What we want to achieve:

1. Maintain a 10-15 year supply of zoned land for residential development.
2. Identify development opportunities within existing urban areas and consider yields in those areas in its commitment to maintaining a 10-15 years of supply of land for residential development.
3. Bring back into balance the significant oversupply of zoned greenfield land that currently exists.
4. Maintain a contributions framework that is transparent and accountable and ensures that development is funding without subsidy from public funds.

What we will do:

Council will:

1. Review its contributions framework to ensure that it is transparent and accountable.
2. Ensure that infrastructure is identified in the contribution frameworks, appropriately funded and development is sequenced in a manner that funds these items.
3. Prepare an urban growth management plan to inform the logical and efficient release of existing land across the LGA.

⁸ Residential land will incur higher property rates than rural land which may act to deter some land-banking activity.

Zoning and land-use permissibility

Zoning and land-use permissibility are established under Council's Local Environmental Plan 2011. These two mechanisms (zoning and land-use permissibility) work together to regulate what sort of housing is permitted where. Most zones permit some sort of residential development⁹. However, the specific type of housing permitted depends on the zone.

The NSW State Government has imposed an incredibly complex regulatory framework around residential development. Firstly, there are 13 different types of housing defined under the *parent term* of residential accommodation and recently the Department added a further four variants to the SEPP (Exempt and Complying Development Codes) 2008. Secondly, the way the permissibility is established depends on the relationship of the *parent term* and the *child terms*. If the *parent term* 'residential accommodation' is prohibited in a zone, all child terms, e.g. 'dwelling house', are prohibited unless explicitly listed as permitted with consent. Further to this, the SEPP (Exempt and Complying Development Codes) 2008 over-rides the LEP for certain residential types, as does the SEPP (Housing for Seniors or People with a Disability) 2005. This complexity makes it difficult to ensure that the residential uses that are permitted or prohibited in each of our zones is consistent with the objectives of the zone. Therefore, it is important that Council comprehensively review the LEP to confirm this and to strive, where possible to simplify the local regulatory framework so that there are clear directions for residential development in our community.

What we want to achieve?

1. A simplified, effective and efficient local regulatory framework.
2. A flexible regulatory framework that encourages housing diversity.

What will we do?

Council will:

1. Lobby the State Government to consolidate the number of residential uses in the Standard Instrument.
2. Advocate for the ongoing reform of the NSW Planning System.
3. Review the Cessnock Local Environmental Plan 2011 to:
 - a. Ensure that residential uses are consistent with the objectives of the zone.
 - b. Review to extent of the R3 Medium Density Zone around each of the town centres include Cessnock, Kurri Kurri, Branxton and Weston.
 - c. Allow additional permitted uses (APUs) for medium-density developments in the R1 General Residential and R2 Low Density Residential zones where:
 - i. The lot/s adjoins an existing R3 Medium Density; or
 - ii. The APU and development application is determined concurrently.
 - iii. The lot is within 400m of the Bellbird to Maitland Corridor (Figure 11); and
 - iv. Engagement with the adjoining affected residents is undertaken and their feedback is considered in the design of the development.
4. Encourage infill development and promote that Council's s7.11 contributions are significantly less in existing, established urban areas.

⁹ All residential accommodation is prohibited in the following land-use zones: RU3, IN1, IN2, IN3, and E1.

Development controls and assessment

Another significant role that Council plays in the development and housing space is the assessment and determination of development applications. The NSW Planning system is a complex hierarchy of controls and assessment pathways. At a local level, Council maintains two key documents that influence development and housing outcomes:

1. Cessnock Local Environmental Plan 2011
2. Cessnock Development Control Plan 2011

The LEP contains principal development standards including minimum lots sizes, maximum floor space ratios, maximum height of buildings and many more controls. But many of these controls are crude. For example, a minimum lot size means that a developer can apply to subdivide for lots larger than that. This can undermine the objectives of urban consolidation, infill and achieving greater density in greenfield development. The assumption is that the industry will seek to develop to the smallest lot size permitted. This may occur in a metropolitan context but in regional areas, the industry is primarily responding to their understanding of the market or to the requirements of housing providers.

The DCP contains planning policies which seek to *guide* development outcomes. They are non-statutory, meaning that they do not carry the same weight as those controls that are in the LEP. Our current DCP is complex and many of the policies are redundant or outdated which makes it hard for users to navigate and for council to enforce. This difficulty introduces uncertainty into the assessment process and undermines the value and role of these policies. Council is committed to comprehensively review the DCP to provide a clear and effective assessment framework. In particular to work collaboratively with housing providers to ensure that the development controls that relate to housing are effective and reasonable and produce feasible development outcomes.

Council also has a role in the processing of applications housing. Cessnock City Council's processing times are currently at 44 days which is significantly less than the State average of 66 (see Table 11). Council will continue strive to minimise processing times by continuing to improve the efficiency and effectiveness of its local regulatory framework.

What we want to achieve.

1. A policy framework that supports good housing outcomes that match the needs of our community.
2. A local policy framework that delivers feasible and well-designed dwellings.
3. An efficient development assessment system that continues to deliver processing times below the State average.
4. A simplified and clear local planning framework with fewer land-use zones and local policies.

What we will do.

Council will:

1. Continue to implement e-planning initiatives.
2. Work collaboratively with representatives of the housing industry to review the development controls in the Cessnock Local Environmental Plan and Cessnock Development Control Plan.
3. Review the Cessnock Local Environmental Plan:
 - a. To reduce, where practical the number of local provisions and zones.
 - b. To ensure that the types of development that are permitted in each zone are consistent with the zone objectives.
 - c. To ensure that the aims of the Cessnock Local Environmental Plan and zone objectives provide a robust, decision-making framework.
4. Review the Cessnock Development Control Plan:
 - a. To remove redundant controls and supporting information.
 - b. To update the format and language and improve the overall usability of the document.
 - c. To include guidance on merit-based, decision making.
 - d. To ensure that the aims of the Cessnock Development Control Plan and development control objectives provide a robust, decision-making framework.
 - e. To ensure that controls relating to medium-density development are effective and reasonable and produce feasible development outcomes.
5. Maintain application tracker and be responsive to technological improvements to improve interactivity with the community.
6. Prepare an Annual Monitoring Report that reports on the progress of actions provided in the strategy and key indicators around growth, land supply and demographic change.

Market rental

Market rental housing is any kind of rental that is not subsidised in any way. Landlords choose what they want to charge for rent and are not limited by the income of their tenants. Consultation with several local real estate agents reveals that Cessnock attracts *buy to rent* investors as it has a healthy rental market and it offers a lower price point and a good return on investment. This is a competitive advantage for investment in our area and ensures that we maintain a rental market that provides diverse housing options for our community.

Local agents believe that there is enough rental stock of sufficient diversity to meet the market rental needs in Cessnock. However, there are a number of issues that were raised about the suitability of housing and also some of the barriers to entry for some people. In particular, pets and children were identified as perceived problems by some landlords. Council is not able to intervene on these types of matters. However, by maintaining a healthy rental market and diverse housing options may promote competition and therefore provide more opportunities for renters to find appropriate accommodation.

Market home-ownership

Market home ownership is any kind of home ownership that is not subsidised in any way. Owners are independent and responsible for meeting all of their housing costs.

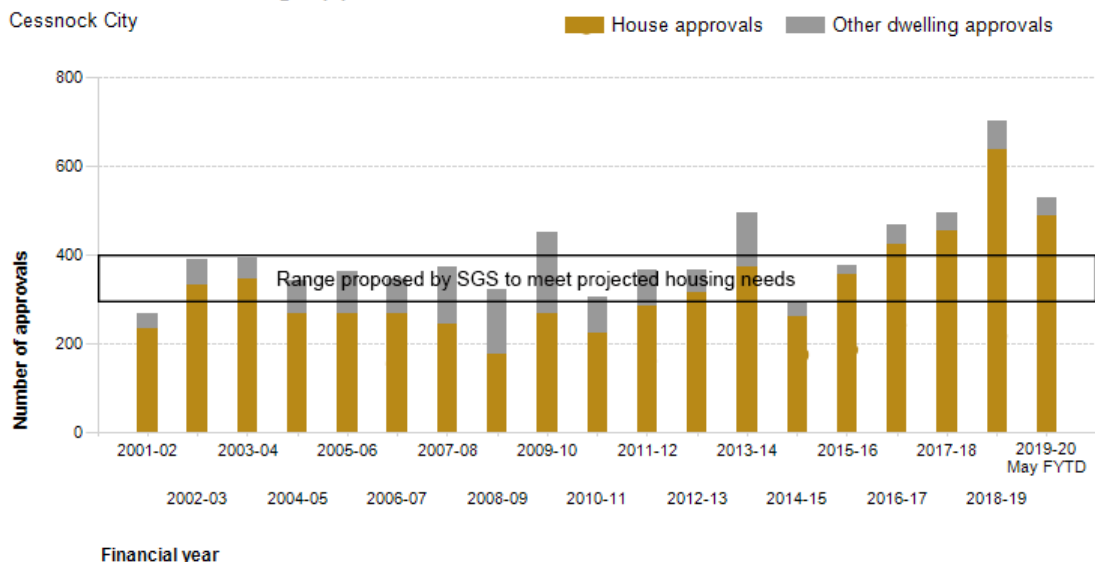
The current trend in population growth and housing demand indicates that the industry needs to provide between 300-400 new homes each year. This is consistent with the DPIE's projections that an

additional 6500 dwellings will be required in our area over the next 20 years to 2036. This equates to 325 new dwellings which is consistent with these figures. With exception, the approval of dwellings across Cessnock has been consistently above 300 dwellings per annum and in the 2018-2019 financial year there was almost 700 residential approvals issued.

Figure 12: Residential building approvals 2001-2020.

Residential building approvals

Cessnock City



Source: Australian Bureau of Statistics, Building Approvals, Australia (8731.0). Compiled and presented by .id, the population experts.

.id the population experts

Source: id.com.au/cessnock. The number of new dwellings required (300-400) to meet anticipated demand. Source: SGS Report.

By far, the majority of these housing approvals are for detached dwellings (91%). As discussed previously, Housing diversity plays an important role in affordability by providing different products and price points for people to enter and move through the housing market. Another important contribution that housing diversity makes is to lifestyle. At different life

stages people may choose different housing products to reflect changes in life circumstances or aspirations of a certain lifestyle. For example; a young person may wish to live in an apartment in a central location to take advantage of 'city-living' or access to food and entertainment venues. Similarly, an older person may prefer a town centre-based apartment

because of the reduced maintenance requirements and reduced travel needs. A young family may prefer a suburban lifestyle that provides large dwellings with more bedrooms or a large lot residential property that meets lifestyle aspirations. These are highly generalised examples but what they illustrate is that given the choice many of us would change the type of housing we choose throughout of lives as circumstances or aspirations change. In a homogenous housing market where the majority of housing is detached and suburban, we may not be meeting the needs or desires of our community.

To understand how this manifests in our community, Council engaged SGS (Planning and Economics Consultants) to undertake a [housing preferences study](#).

Housing Preferences

This Cessnock Housing Preferences Study provides insights into the housing preferences of our community. It examined the particular types of properties, their features and location that are most important to the participants and the trade-offs they might make between these attributes given their financial constraints. This study produced some interesting findings, particularly in terms of an apparent mismatch between demand for certain housing types (preferences) and the supply of those types of housing in Cessnock.

The study was comprised of three exercises:

1. Housing preference survey
2. Choice modelling exercise
3. Simulation

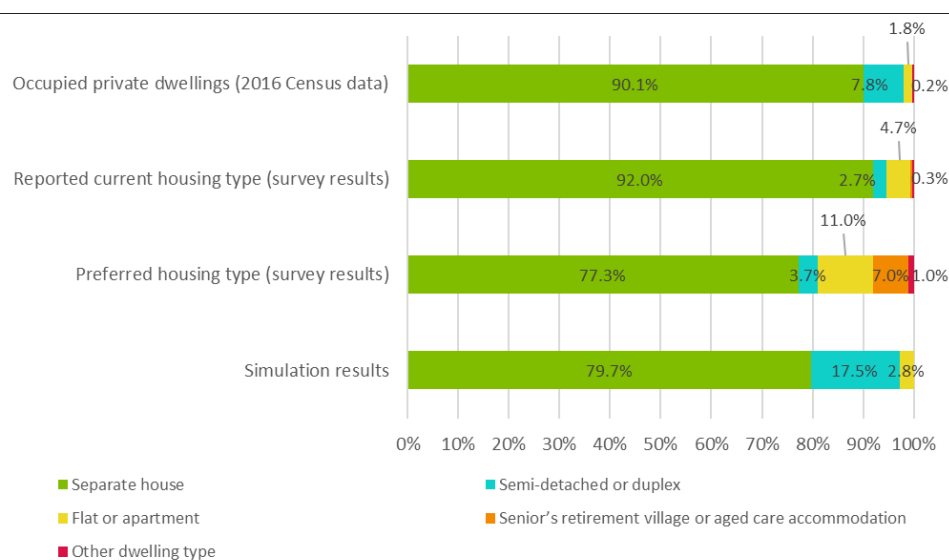
From these analyses the study draws the following key findings:

- **There is unmet demand for more compact dwellings:** While most residents prefer to live in detached housing, both the survey preference and the simulation results indicate that a significant share of households would prefer more compact forms of housing (semidetached dwellings, villas, duplexes or apartments¹⁰), than is currently available in Cessnock.

The simulation results indicate that 20.3 per cent of households would choose semi-detached dwellings or flats and apartments, which is significantly higher than the current provision. The last Census in 2016 recorded that only 9.9 per cent of all housing stock was not a detached house.

Results from the simulation also showed a preference for smaller lot sizes for detached dwellings due to their lower maintenance, lower cost and accessibility.

Figure 13: Existing Housing Mix, Survey and Simulation Results.



Source: (SGS Planning and Economics, 2020)

¹⁰ These terms are not used in NSW Planning instruments but they equate to: attached dwellings, multiunit dwellings, dual occupancies and residential flat buildings.

- **Price and affordability drive location and housing choice:** Affordability was a reason for people moving to Cessnock (as it was cheaper than Newcastle and Sydney) and for deciding which part of Cessnock to live in. Affordability is an important determinant of housing preference shifting towards more compact dwellings.
- **Housing preferences vary considerably with age and household type:** Younger households and families tend to prefer detached housing and the preference for semi-detached dwellings and apartments increases with age.
- **Affordability is the main barrier to obtaining preferred housing:** Low income households (those with household incomes less than \$50,000 per year) were more likely to state lack of affordable housing as a barrier than medium and high income households. Older people were also more likely to see affordability as a barrier.
- **People value rural-living on large blocks¹¹:** The study highlighted that a large proportion of the community currently lives in what they see as rural areas and would prefer to continue living in rural areas. This reflects the high value placed on large houses and spacious lots, and is one of the reasons to (continue to) live in Cessnock.

The study concludes that there is a mismatch between the demand (preference for) and supply of different housing types in Cessnock, and these preferences vary across demographic cohorts.

The number of older person and lone person households is expected to grow significantly in the future, and these household types revealed a preference for more compact, semi-detached housing, that is currently not being met in the housing market. Couple households with no children are also more likely to prefer semi-detached and apartment housing than other cohorts. There are opportunities to better match housing supply to the preferences of these groups.

Housing costs are a major concern for residents, and people recognise that townhouses/villas and apartments are more affordable than detached housing. The households that are more likely to prefer semi-detached housing are also households that are typically more price sensitive. New semi-

detached housing aimed at responding to this demand should be affordable.

It is important to acknowledge that this study provides an insight into the housing market and our community: it provides part of a picture. There are other important sources of knowledge that contribute to the understanding of the housing market including statistical information like Census data and development approvals as well as the experiences of local Real Estate Agents, housing providers and the development industry. This combined knowledge supports several hypotheses.

1. There is a greater demand for housing types that are not detached housing.
2. There is a need for housing appropriate for older persons.
3. There is a need for greater housing diversity to provide affordable housing options for our community.

What we want to achieve

1. Greater housing diversity.
2. Greater housing affordability for low and low-medium income households.
3. Build the capacity of local housing providers and the development industry to respond housing needs in our community.

What we will do

Council will:

1. Provide information to the property development sector about the demand for greater housing diversity.
2. Undertake feasibility analyses of medium-density development typologies in areas where council would like to encourage higher-density development and share this information with the development and housing industries.
3. Ensure our regulatory framework is not creating barriers to development of more compact forms of housing.
4. Ensuring planning controls are not promoting excessive development of detached housing in poorly serviced areas.

¹¹ Rural living - The study did not differentiate between large lot residential and rural properties.

Monitoring and Reviews

This Housing Strategy is one in a suite of strategic planning documents that will be subject to regular monitoring and review.

The 5-yearly Census provides a wealth of information about our community and therefore provides a rational time to comprehensively review many of council's planning documents including this Housing Strategy. The next Census will be conducted in the second half of 2021 and the release of data usually commences in the first quarter of 2022 and the more complex data at the end of 2022. If this timeframe is accurate, it is reasonable to target the first comprehensive review of this Housing Strategy in the first half of 2023 followed by 5-yearly reviews tied to the Census cycle.

Council and other agencies regularly collect data on housing and development and population statistics. Council has committed, as an action in the Cessnock Local Strategic Planning Statement to prepare an annual monitoring report. The annual report will publish data on land supply, land release and development so that Council can respond in an informed way to any significant change. Where significant change is identified it may be necessary for Council to bring forward a particular review cycle.



Actions

Implementation and Delivery Plan

Insert summary table

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