

## Shoalhaven City Council Response (January 2025)

### Supplementary Questions for Witnesses – Options for Essential Worker Housing in NSW

**1. How many jobs do you expect will be generated in the area over the next 10 years?**

**a. Do you expect that industries and/or sectors will be the major driver of jobs? If so, which?**

**b. Is Council aware of any specific proposals in an industry or likely employers considering to come to the LGA? If so, could Council provide a list including anticipated job numbers and when they propose to come on line?**

Shoalhaven's population is forecast to potentially grow by 16% by 2036 and it is expected community service jobs, such as teachers, healthcare workers and retail workers, would grow in line with the forecast population increase. An equivalent (16%) increase in jobs in these sectors suggests an extra 7,800 jobs could be needed/created. It is anticipated that the current, top-employing industries will continue to be major employers. The top five employing industries are health care and social assistance, construction, retail, accommodation and food services, and public administration and safety.

Continued or increased employment opportunities will be generated by Shoalhaven's strongly performing visitor economy, the redevelopment of the Shoalhaven Hospital, and co-location opportunities for aeronautical and high-technology industries near defence establishments. The NSW Government's own Opportunities Analysis for Investment in Shoalhaven identified the strength of and expansion opportunities for sustainable aviation fuel producers, avionics component manufacturers, beverage manufacturers and distillers, aquaculture processors, and hard cheese manufacturers.

The \$438 million dollar Shoalhaven hospital redevelopment project is due for completion in 2026 and is expected to create an additional 665 jobs.

**2. What percentage of workers live and work within your LGA?**

81.5% of workers live and work within Shoalhaven<sup>1</sup>. This equates to 34,392 workers of the 42,194 total employed residents in the area.

Shoalhaven currently provides about 49,150 jobs. The top five other residential locations of local workers are Kiama, Shellharbour, Wollongong, Wingecarribee, and Eurobodalla.

---

<sup>1</sup> Source: Australian Bureau of Statistics, [Census of Population and Housing 2021](#). Compiled and presented in [economy.id](#) by [.id \(informed decisions\)](#).

A greater range of employment statistics is available and can be interrogated via the Shoalhaven Economic Profile online at: <https://economy.id.com.au/shoalhaven>.

### **3. Are there any barriers that prevent higher-density rezoning within the LGA? If so, what are these barriers?**

The current barriers that may be limiting rezonings to facilitate increased residential densities in suitable locations include:

- Given the size and nature of Shoalhaven (large regional area of 4,500 sq km containing 49 towns/villages), a lack of resources to strategically identify and plan increased residential density and supporting physical and community infrastructure throughout the City. This process must also include significant community engagement to ensure communities are aware of and participate in any change management associated with rezoning of this nature.
- Community opposition arising from concerns over potential impacts, including on local or neighbourhood character.
- The ability or mechanism to secure adequate funding, noting current limits in local infrastructure contributions, to deliver the supporting physical and social infrastructure required by larger or more dense communities and associated limitations

There are also financial barriers to the market's uptake of opportunities to deliver increased residential densities. A high 'cost of build' increases the cost per dwelling of projects and a continued supply of existing detached dwellings reduces the sale price of diverse dwellings. Together, these two barriers act to increase the costs and reduce the returns for diverse dwellings, limiting their current viability in Shoalhaven.

As a relevant current example in this regard, the NSW Government's Illawarra-Shoalhaven Regional Plan includes an Action to develop a Nowra City Centre Strategic Roadmap. The work on this is considering, amongst other things, the need for adjusted planning controls (e.g. Planned heights of buildings) to assist with the ongoing activation of the CBD. Council staff have been collaborating with the NSW Department of Planning, Industry & Environment (DPHI) on the 'roadmap'. As part of this DPHI engaged the Astrolabe Group to undertake initial analysis work – this was completed in September 2023 but has not been formally released as yet. There is however an overview on Astrolabe's website [here](#) that notes the following:

*Recommendations to inform a strategic roadmap for Nowra were grounded in outcomes of our analysis including:*

- *changes to planning controls in isolation of other interventions would not significantly improve development feasibility*

- *brokering government and intuitional investment and commitment is essential*
- *a strategic approach to increasing services and amenity and tackling challenges of car-dependency through integrated land use and transport planning is required.*

This work shows that planning interventions alone will not significantly improve the financial feasibility of higher density residential development in this key centre.

The Mayor of Shoalhaven wrote to the NSW Planning Minister recently regarding the progress of this work and also the release of the Astrolabe research. The response received recently from the Minister notes that it is anticipated that the roadmap is aimed at helping create a vibrant city centre with increased housing and employment opportunities and it is expected that DPHI will begin public consultation on it by mid-2025.

**4. *Using Coomea St Bomaderry as a case study, can the council supply a timeline of the development application (DA) assessment process including but not limited to:***

- when Council received the application;*
- when Council responded with request for further information;*
- when the developer responded to the Council's requests;*
- Council's view of the overall quality of the submission, and any potential ways that developers could increase the quality of submissions for Council's consideration; and*
- potential areas of improvement in the planning process, for either the council or developers, that are likely to expedite the approval process.*


Council transferred the subject land to Southern Cross Housing in mid-2021 via a Community Housing Assistance Agreement. Consistent with the agreement, Council has continued to collaborate with Southern Cross Housing (SCH) and Homes NSW (former NSW Department of Communities & Justice) since then via a project steering group that has met regularly to help oversee the initial land transfer, provided guidance on the development application to help facilitate quick approval, respond to matters that arose during the development application process and assist where needed post approval.

As part of the preparation of the final development plans/proposal SCH, in conjunction with Council staff (who are part of the Project Steering Group), undertook early engagement/consultation with the local community. The consultation involved:

- Notification in the local newspaper (14 July 2021) - referred the community to the SCH website where all details and ongoing information regarding the project was posted.
- Community Notice was hand delivered to all residents adjacent to the site and shops in Meroo Street, Bomaderry including the IGA Supermarket in Coomea Street in early August 2021. The Notice was also provided to the two main community groups in Bomaderry, the “Pride of Bomaderry” and “Bomaderry Community Inc”. The Notice provided a dedicated telephone number and an email address for any enquiries/feedback.
- Signs notifying the public of the proposed development were also attached to the site fencing during August 2021
- In person information/consultation sessions were planned to be held at the SCH Offices in Bomaderry to inform interested community members about the proposed development. These were initially scheduled during August 2021, but due to Covid lockdowns the sessions were postponed, and online meetings were however held with the Bomaderry Community Inc and Pride of Bomaderry in late August 2021.

The matters raised through this initial early engagement were considered and addressed as part of finalising the development application for lodgement. The following extract from the consultation package prepared by SCH also shows the longer project history.

**An extensive and lengthy consultation process to deliver the ultimate design outcome**



This project has a long history. Design workshops back in October 2017 involved Southern Cross Housing residents, community members, architects, Shoalhaven City Council, and Property Council of Australia.

Lessons learned and the initial design concepts from the workshops laid the foundations of what we believe to be an exemplar affordable housing development.

COMMUNITY CONSULTATION WORKSHOP WITH PROSPECTIVE TENANTS, SOUTHERN CROSS HOUSING PROVIDER AND COMMUNITY REPRESENTATIVES

DEVELOPED CONCEPTS FOR COUNCIL AND COMMUNITY CONSULTATION

COUNCIL AND DEPARTMENT REVIEW

2017

WHERE TO BEGIN?

A BOLD IDEAL

GATHERING STEAM

DESIGN DEVELOPMENT

FEEDBACK

TODAY

THE QA IN A DAY WORKSHOP WITH CONSULTING PROFESSIONALS, TENANTS, REPRESENTATIVES FROM SHOALHAVEN CITY COUNCIL, SOUTHERN CROSS COMMUNITY HOUSING AND ILLAWARRA PROPERTY COUNCIL

DEVELOPED CONCEPT FOR GRANT SUBMISSION

CURRENT SCHEME COMMUNITY CONSULTATION

Proposed Affordable Housing Development for Southern Cross Housing at 44-52 Coomea Street, Bomaderry

NO.	REVISION	DATE	DESCRIPTION	PROJECT TITLE	PROJECT NUMBER
				PROJECT HISTORY	
					S4/03

COPYRIGHT © 2008 CITY OF SHOALHAVEN AND ILLAWARRA PROPERTY COUNCIL

We encourage your feedback to assist us to deliver the best possible housing project.

It is worthwhile noting that **no** community/public submissions were received on the actual development application when it was formally publicly notified. This is unusual

for an application of this nature but given all the early engagement and consultation that had occurred it was a pleasing outcome.

Given that the development has a capital investment value greater than \$5 million and as Council was affectively a partner in the project, it was deemed to be a regional application and the consent authority for the development was determined to be the Southern Region Planning Panel under the provisions of the SEPP (State and Regional Development) 2011.

The development application (RA22/1002) was initially submitted in early March 2022. Following initial submission, the assessment report shows the following timeline:

10 March 2022 additional information requested:

- Owners Consent
- ASIC company extract
- Revised Statement of Environmental Effects
- Detailed Cost Report
- Submission of S68 application

15 March 2022 response provided by proponent.

24 March 2022 additional information requested:

- Integrated Water Cycle Management System (IWCMS)
- Revised Waste Minimisation and Management Plan
- Geotechnical Investigation Report
- Detailed Cost report prepared by registered quantity surveyor

24 March 2022 application lodged in Council's system.

22 April 2022 response provided by proponent (noting IWCMS and geotechnical report not provided at that point).

2 May 2022 revised stormwater concept plan and IWCMS provided by proponents.

13 May 2022 additional information requested:

- Address SEPP 65 and Apartment Design Guideline
- Plumbing and drainage information requested as part of section 68 application
- Development Engineer referral comments:
  - Address Stormwater comments
  - Clarification on parking requirements
  - Clarification on waste servicing arrangements

20 May 2022 response provided by the proponent:

- Cover Letter responding to RFI
- Design Verification statement
- Revised Architectural Drawings
- Geotechnical Report

The development application was assessed by an independent consultant. Council participated in a program referred to as the Regional Housing Flying Squad, initiated by the NSW Government (through the then Department of Planning and Environment).

The Planning Delivery Unit (PDU) within the Department facilitated this program and engaged with a panel of planning consultants to conduct the assessments of certain applications for regional housing on behalf of councils.

Councils were asked to nominate applications that deliver regional housing, through a formal Expression of Interest (EOI) process. This application was one of several nominated. The PDU allocated consultants to selected applications and the consultants reported directly to Council staff while conducting the assessments. Once assessment reports were completed to the satisfaction of Council, Council or the relevant Regional Planning Panel determined the relevant applications.

Council considered a 'draft determination' report in June 2022 that recommended that the application be supported with a deferred commencement to enable the registration of a required easement for stormwater drainage, provision of a supplementary landscape plan and revised ground floor plan for one of the buildings.

In early July 2022 the Regional Planning Panel met and raised additional matters that needed to be considered to enable determination. The application was subsequently determined by way of approval on 8 July 2022 with deferred commencement conditions relating to require stormwater drainage easement, landscape plan and revised building plan.





*Coomea Street Development – DA Concept Images*

In October 2022 Council separately resolved to reimburse SCH their development application fees (\$12,000).

Following a response to the deferred commencement conditions, an operational development consent was issued on 9 June 2023.

The initial Construction Certificate for the project was approved in December 2023 and construction commenced on site on 8 January 2024 and is due to be completed by mid-2025.



*Recent Aerial Photo - Coomea Street Development Progress  
(shows adjacent Bomaderry Railway Station and main street (Meroo Street))*







*Coomea Street Development - Site Images – January 2025*

The assessment of the development application occurred under the faster local assessment process so it is difficult to comment on quality of application. However, a good indication is that only three deferred commencement conditions were imposed on a significant application of this nature. These were required to manage relatively minor matters such as adjustments to window positions, landscaping, and drainage easements.

The application itself only took 3 to 4 months to move through the development assessment process. Time was however subsequently lost in completing or responding to the deferred commencement conditions, particularly the request for a stormwater easement. Additionally further time was lost in dealing with unexpected site issues pre construction and also industry wide issues that emerged resulting from significant changes to the Building Code and legislation relating to multi-level residential development compliance.

**5. What specific support is Council potentially seeking from the NSW Government regarding the DA assessment process? For example, personnel, resources, financial support, education/seminars/mentoring, or changes to the planning department's requirements that might expedite the process.**

The scale and scope of planning reform recently completed and ongoing adds a layer of complexity to managing development applications and consents. There are a broad range of issues generated by the number of times the legislation has been amended and the vast array and type of supporting documents to be considered (such as directions, circulars, state environmental planning policies, guidance notes etc.).

It is acknowledged that the overhaul and adjustment of the planning legislation and the associated system is possibly outside the scope of this inquiry. However any overall/adjustment provides a significant opportunity to improve on the practice and limited success of continual reform and deliver a stream-lined, de-risked, contemporary land use planning framework and efficient processing of development applications.

Other challenges slowing the processing of development applications include the ongoing shortage of planners, the quality of development applications, the protracted time taken to receive State agency advice/approvals and IT systems in place including the NSW Planning Portal.

The NSW Government's recent launch of the Housing Delivery Authority may also inadvertently slow application processing time by diverting Council resources away from applications towards supporting or responding to the new Authority. For example, the provision of advice on site history, local context and other opportunities to input not the Authority's considerations.

Council would **welcome continued and increased Government funding to support improved resourcing (planners), staff training and improved systems.**

**The NSW Government's continued investment and improvement of the NSW Planning Portal is also essential.**

Another opportunity is presented by **the regulation of minimum application standards to ensure submitted applications are thorough and complete** and ready for processing. This will help accelerate the early administration and vetting parts of Council's processes.

Council also welcomes the creation of the NSW Housing Taskforce, its principal objective to speed up the delivery of homes, and its aim to coordinate State agency advice and approvals. However, it is currently not clear if and how Council can apply to use or seek the assistance of the Taskforce to accelerate Agency feedback when experiencing delays. The evolution of the Taskforce to **provide a case management**

**service may assist Councils to overcome the experienced delays in obtaining advice from Agencies.**

**6. *We have received evidence indicating that it was difficult to amend IPART-approved Section 7.11 contribution plans. You noted that difficulties included costs, the length of time taken for IPART reviews, and potential unintended adverse consequences when plans are reviewed.***

***a. What are Council's major concerns, and what solutions may help address these?***

***b. Would indexing approved plans to Australian Bureau of Statistics data for NSW house construction costs (or similar) help ensure that contribution plans remain fit for purpose?***

Council has heard, anecdotally, about the experiences of other councils that have applied to the Tribunal to increase the amount of local infrastructure development contributions they can charge. These experiences highlighted the time and cost required to prepare complex applications, the challenges of meeting the Tribunal's requirements, and the time required for the Tribunal to determine applications.

Applications often required financial models and concept design and costings for infrastructure projects. These are often expensive and require the use of specialised consultants. While there are opportunities to recoup the funds spent on such work through the administration of any contributions plan, **additional funding for regional councils to undertake this work would be appreciated/welcomed**. This could occur for example, through avenues such as the NSW Government's Regional Housing Strategic Planning Fund.

Council notes the Tribunal is currently reviewing its approach to assessing contribution plans (with the review commencing in November 2024). It is also updating its local infrastructure benchmarks – cost estimates for infrastructure items. Council welcomes both activities and supports improvements to provide a simpler, faster application process and benchmark costs and designs for certain types of infrastructure (to save on Council's preparation of this information). Council intends to provide feedback on the Tribunal's current review processes (due to end in March 2025).

The most significant challenge we have identified is the current cap or threshold on contributions, the lack of any indexation of the cap since its introduction, and the absence of a current indexing mechanism to account for increased costs of delivering infrastructure. This is resulting in the undersupply of the infrastructure needed to service new communities or the spending of other council funds to deliver the infrastructure (which is not financially sustainable). The lack of a current indexing mechanism generates the need to make frequent and repeat applications to ensure contribution amounts remain contemporary. This impacts on resources and workload.

Council has historically advocated (directly and with other councils through Local Government NSW) for indexation of the cap. **Council therefore recommends the NSW Government introduce an indexation mechanism for the threshold/cap.**

Another important consideration is the potential removal of infrastructure projects in existing contribution plans as they are reviewed by the Tribunal. These projects have previously been identified and planned to meet the needs of future communities, but may not align with the NSW Government's essential works list. The Tribunal may remove these projects as it reviews a contributions plan. This could result in the undersupply of the infrastructure planned and required to meet community needs or mean the Council needs to find alternative funding sources. For example, analysis undertaken in 2021 identified \$71m worth of infrastructure projects would be lost if Council's Contribution plan was adjusted to be consistent with the essential works list. **Council recommends the current list is reviewed to ensure it remains contemporary and accurately meets the needs of new and emerging communities.**

***7. Anecdotal evidence indicates that there is significant amount of accommodation available on the short-term or holiday market in your LGA.***

- a. Does Council have any indication of what percentage (or numbers) of properties in the LGA are available for rent on the short-term or holiday rental market?***
- b. Is there a need to better control or regulate the short-term or holiday rental market in the LGA?***
- c. If so, what suggested amendments to the current laws or regulations would increase the availability of properties for long-term rental?***

There are several sources of data about the amount of short-term rental accommodation (STRA) registered or existing in Shoalhaven. There is however **no** definitive number or source of truth. The data sources indicate that 4,200 to 5,200 properties are being used to provide STRA. This equates to between 7-9% of existing dwellings.

The dwelling vacancy (unoccupied) rate in Shoalhaven on census night was 22% suggesting there were approximately 13,000 empty homes. There are many reasons why homes can be empty, including their use as STRA or private holiday homes/second dwellings.

Council's submission (attached) to the NSW Government's as part of its current review of the STRA provides Council's position and recommendations on the management of short-term rental accommodation in Shoalhaven.



In summary, this submission:

- Identifies that an increasing population, decreasing household size, and the demand for short-term rental accommodation and private holiday homes all contribute to housing demand.
- Confirms the housing affordability challenge in Shoalhaven, noting 2,150 households need affordable housing and 4,138 households are experiencing housing stress.
- Recommends a range of measures be available to provide Council the flexibility to manage short-term rental accommodation in Shoalhaven and its relationship with the visitor economy. These measures include data collection, land use planning, and financial options (levies or rates), as well as greater Government support, and further advocacy activity (with government and owners).

**8. *Is there an estimate of available council land that could be considered for essential worker or affordable housing?***

***a. In your experience, what barriers prevent council from freeing up council land for essential worker or affordable housing?***

***b. How can these barriers be addressed?***

Councils recently completed Affordable Housing Strategy (2024) commits to a contemporary audit of Council-owned land to identify suitable sites for possible:

- “meanwhile use” for temporary accommodation opportunities,
- transfer or dedication to registered community housing providers, and
- dedication or development of sites for affordable housing developments.

That audit has not been completed. The implementation of the results of the audit are also likely to be challenged by competing priorities, such as the use of the land for other community outcomes or Council’s current priority to raise funds to secure Council’s financial sustainability.

Whilst not current, as part of the background work on Councils earlier Affordable Housing Strategy (2017) various Council sites, including identifying initially the Coomea Street site, were considered/assessed/modelled. This information is still available on the internet at the following link (See Section 7.5.3 Provision of Affordable Housing on Council or Public Land):

[Shoalhaven Affordable Housing Background Report \(April 2016\)](#)

It is important to reconfirm that perhaps the biggest delay in the Coomea Street, Bomaderry project was the time taken to initially settle/resolve the process and mechanisms to transfer the land from Council to the Community Housing Provider (CHP) – Southern Cross Housing. This was ultimately facilitated with the assistance of the then NSW Department of Communities and Justice (DCJ) via a Community Housing Assistance Agreement.

DCJ's assistance in helping with a way forward was greatly appreciated, but it is suggested that a new, clear, simple mechanism or mechanisms is/are required to enable and accelerate these types of relatively low risk transfers. These mechanisms must reduce red tape and include new pathways for councils and registered housing providers to easily and innovatively collaborate. For example, it has been previously suggested that a simple Public Private Partnership (PPP) model (or similar) could be developed for low-risk proposals involving Councils and CHP's.

From the contact received from other Councils in regard to the Coomea Street project, there is considerable interest within the Local Government sector in making land available for affordable housing, particularly in partnership with community housing providers. Council has freely provided support, information and commentary on its experiences and how it progressed the project to other Councils. This has included responding to a range of questions related to or resulting from the transfer process.

It is apparent that it would be beneficial for more detailed guidance or encouragement material to be made available for consideration and use by Councils. To this end the ongoing work of the Community Housing Industry Association NSW to assist in this regard is a good start and is commended, including the following:

[Local Council Partnerships for Provision of Affordable Housing](#)

[Local Councils Taking Action on Affordable Housing](#)

[Affordable Housing Toolkit material](#)

Webpage: [Local Councils and community housing – resources for local Councils](#)

The Coomea Street project is identified in some of the above material as a 'case study'.

More recently (early 2024) Council staff provided information and feedback as part of collaboration with the NSW Office of Local Government on a possible Guide for Councils on Affordable Housing that does not appear to have been published as yet.