



Affordable Housing in Wagga Wagga

Interim Paper

Draft



Acknowledgement of Country

Wagga Wagga City Council yali gulbali-yanhi ngurambang Wiradyuri.

Walumaldhaany-galang bala mayiny Wiradyuri.

Yindyamali-yanhi mudyiganggalang-bu balumbambal-bu balugirbam-bu.

Yindyamali-yanhi bagaraygan ngurambang-guwal-i yandu murunwiggi Wagga Wagga-dha.

Ngiyanhi gulbali-bu yindyamali-bu guwiinygulyalagu buyaa-bu giilaang-galam-bu.

Ngiyanhi gulbali-bu yindyamali-bu guwiinygulyalagu dhaagun-bu bila-galam-bu nganha Wiradyuri-giyalang bala burrambin-bu nurranurra-bu.

Gulbali-yanhi Wiradyuri mayiny bagaraygan-guwal-bu bala yarruwala-bu waluwin-bu walanbam-bu dhirrangal-bu.

Wagga Wagga City Council acknowledges the traditional custodians of the land, the Wiradjuri/Wiradyuri people, and pays respect to Elders past, present and future and extends our respect to all First Nations Peoples in Wagga Wagga.

We recognise and respect their cultural heritage, beliefs and continuing connection with the land and rivers. We also recognise the resilience, strength and pride of the Wiradjuri/Wiradyuri and First Nations communities.

Contact:	Paul Robilliard Director	PRobilliard@ethosurban.com
-----------------	-----------------------------	----------------------------

This document has been prepared by:

Kimberley Bautista & David Attwood

20 February 2024

This document has been reviewed by:

Paul Robilliard

21 February 2024

Version No.	Date of issue	Prepared by	Approved by
1.0 (DRAFT)	01/02/2024	KB/DA	PR
2.0 (FINAL)	21/02/2024	KB	PR

Reproduction of this document or any part thereof is not permitted without written permission of Ethos Urban Pty Ltd. Ethos Urban operates under a Quality Management System. This report has been prepared and reviewed in accordance with that system. If the report is not signed, it is a preliminary draft.



Ethos Urban Pty Ltd | ABN 13 615 087 931 | Sydney NSW | Melbourne VIC | Brisbane QLD | ethosurban.com

Table of contents

Executive Summary	4
1.0 Purpose of the document	6
2.0 Context.....	10
2.1 The need for affordable housing	10
3.0 Existing approaches	12
3.1 Federal Government approaches.....	12
3.2 State Government approaches.....	14
3.3 Local Government approaches.....	18
3.4 Non-government organisation approaches	21
4.0 Snapshot of Affordable and Social Housing in Wagga Wagga.....	23
4.1 Who needs social and affordable housing in Wagga Wagga?	23
4.2 Supply of affordable and social housing	25
4.3 Demand for affordable housing and social housing	26
5.0 Options for Council moving forward	28
5.1 Advocacy.....	28
5.2 Partnerships.....	29
5.3 Collaborationn.....	30
5.4 Statutory mechanisms.....	31
5.5 Direct Intervention	32
5.6 Summary	34
6.0 Next Steps.....	36
Sources	37

Figures

Figure 1 Federal, State and Local Government approaches	5
Figure 2 Strategic planning framework diagram	7
Figure 3 Housing Supply continuum	9
Figure 4 Tolland Housing Estate Masterplan	14
Figure 5 Blackwattle Bay State Significant Precinct.....	16
Figure 6 Demographic factors that may influence social and affordable housing need in Wagga Wagga	23
Figure 7 Additional Housing Stress in Wagga Wagga LGA (change from 2023 to 2041).....	27

Tables

Table 1 Glossary	8
Table 2 Mortgage stress by household type, Wagga Wagga LGA (2021)	24
Table 3 Rental stress by household type, Wagga Wagga LGA (2021)	24
Table 4 Recent and future supply of social housing	26
Table 5 Advocacy mechanisms	28
Table 6 Partnership mechanisms	29
Table 7 Collaboration mechanisms	30
Table 8 Statutory mechanisms	31
Table 9 Direct intervention mechanisms	32
Table 10 Summary of options for Council to facilitate affordable housing supply	34

Executive Summary

Purpose

Wagga Wagga City Council recognises the growing pressures of increased housing and daily living costs on the people of Wagga Wagga. The housing affordability crisis is a well-documented problem facing New South Wales (NSW) and Australia. In the current economic climate, rising inflation and interest rates will continue to add pressure to household finances. Housing costs are also increasing due to a combination of supply constraints, materials and construction costs, and growing demand. This issue is affecting residents of Wagga Wagga, with more households living in housing stress across the Local Government Area (LGA).

The purpose of the Affordable Housing in Wagga Wagga - Interim Paper is to provide an overview of the available options in addressing the growing need for affordable housing within the Wagga Wagga LGA.

Need for affordable housing

In Wagga Wagga 28.3% of renter households are facing rental stress with household rental payments exceeding 30% of gross household income. While the proportion of households experiencing rental stress in Wagga Wagga is below the NSW average (35.5%), there are significantly more households in Wagga Wagga that rent as opposed to owning their home, compared to regional NSW.

Examination of rental stock that is affordable by income group reveals that, compared to rest of NSW, Wagga Wagga housing stock is more affordable for low and very low-income households. There are an estimated 370 properties in Wagga Wagga LGA that are affordable. 25.41% of these dwellings are affordable for very low-income households which is higher than the rate in the rest of NSW at 16.97%.

Although Wagga Wagga has historically been relatively affordable compared to major cities like Canberra or Sydney, various factors have more recently made Wagga Wagga less affordable, leading to higher rates of housing stress. While there is some social housing in Wagga Wagga, ageing housing stock and less suitable housing types also contribute to affordability pressures, particularly for people on very low-incomes and for more disadvantaged members of the local community.

The key factors driving the need for affordable housing supply in Wagga Wagga are:

- Rent increases outstripping income growth
- Strong rental housing demand and relatively high proportions of renters compared to owners than other parts of regional NSW
- Growing proportion of low to moderate income households
- Long waitlists and times for social housing
- Outdated social housing supply with a mismatch in the size of dwellings needed for households
- A shortfall of crisis accommodation and affordable housing for people who are homeless or displaced from permanent housing
- Need to attract and retain a diverse workforce, including workers in key sectors like health care and education, along with workers in major infrastructure projects who may require shorter term tenure
- Lack of housing diversity, in particular the predominance of larger family homes and limited stocks of smaller and well-located dwellings that would suit smaller households and people who may not be settling permanently in Wagga Wagga.

Options for Council moving forward

There are significant opportunities for local government to support the provision of affordable housing through planning instruments and policy. Council can play a proactive role in the direct creation and retention of affordable housing through:

- adopting planning policy mechanisms and strategies, including funding mechanisms,
- advocacy,
- utilising Council's assets and resources in partnership with others to directly create affordable housing,
- active intervention in the market.

Council will need to collaborate with Federal and State Government to see the delivery of affordable housing in the LGA, as each level of Government has a different role to play. Section 3 discusses these roles in more detail.

This Paper examines the approaches Wagga Wagga City Council can employ to encourage the delivery of social and affordable housing in the LGA. A review of existing approaches utilised by the Federal, State and other local councils, as well as non-government organisations, is also provided, for context to assist in positioning Council within the broad range of stakeholders that have roles in delivering affordable housing.

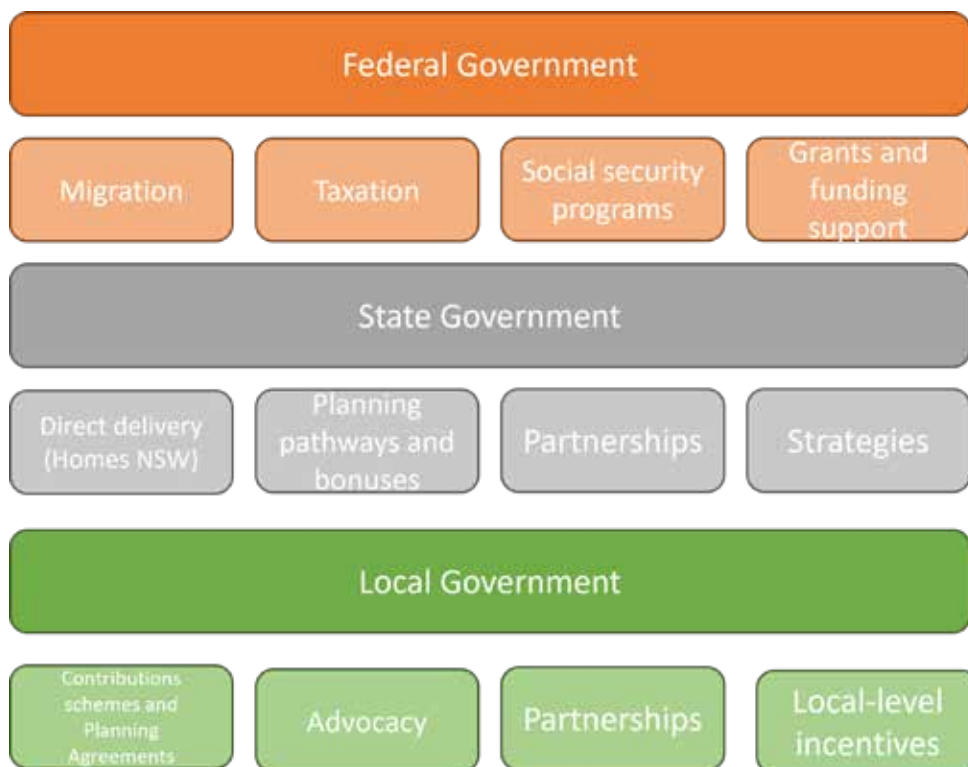


Figure 1 - Federal, State and Local Government approaches

Next steps

Council will consider the options available as set out in this Interim Paper and develop an Affordable Housing Strategy to establish an overarching framework for Council to contribute to delivery of social and affordable housing in Wagga Wagga.

Section 1: Purpose of this document

Wagga Wagga City Council recognises that housing is a right and recognises that affordability is an emerging barrier to access to housing in the Wagga Wagga LGA.

Council is acutely aware of recent increases in housing and other daily living costs which continue to place significant pressure on the people of Wagga Wagga. The 'affordability crisis' is being felt nationally, but the effects are uneven: regional towns and cities have often felt the pressure more acutely than capital cities, particularly as COVID-19 related migration increased demand and prices. Additionally, workers are increasingly attracted to or required in regional locations on infrastructure projects or in essential services like health care¹.

The scale of the issue has led to intense interest and rapidly evolving policy activity at both State and Federal level. Sustained investment and a whole-of-government response is required for significant change to occur.

Housing affordability presents a risk to Wagga Wagga's ability to attract and retain workers. This includes nurses, teachers, cleaners, bus drivers, administrative, hospitality and tourism sector workers. Stakeholder engagement undertaken for the Local Housing Strategy indicated that housing affordability, suitability and availability of rental accommodation are key constraints to attracting and retaining essential workers (who are often on low or moderate incomes).

Council is committed to demonstrating leadership on this issue. This document builds on Council's significant work to date on its draft Local Housing Strategy and is an intermediate step to provide an overview of the current state of housing affordability in Wagga Wagga and identify options for Council to encourage social and affordable housing delivery moving forward. This paper discusses the available levers for Council, State Government and the private sector to contribute to and deliver affordable housing supply for the LGA.

Following the finalisation of this Interim Paper, Council will build on this to develop an Affordable Housing Strategy that forms part of Council's local strategic planning framework (as shown in Figure 2). The Strategy will establish an overarching framework that will identify further direct actions and advocacy positions that Council will take towards improving social and affordable housing outcomes in Wagga Wagga.

1. UNSW media, 2023 <https://www.unsw.edu.au/newsroom/news/2023/06/regional-cities-not-a-simple-housing-solution-for-metropolitan-growth-pressure>

How the Interim Affordable Housing Paper and Affordable Housing Strategy relate to Council strategies

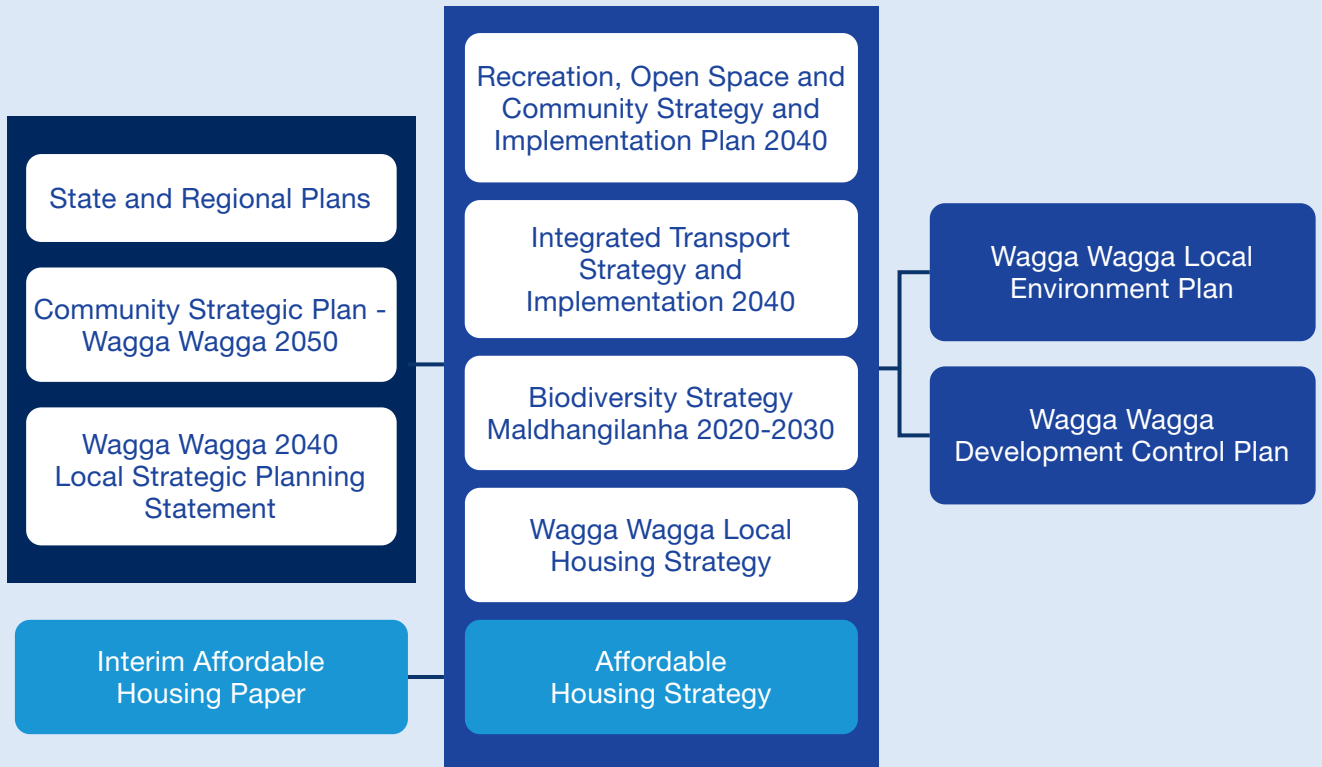


Figure 2: Strategic planning framework diagram



Figure 3: Process to produce the Affordable Housing Strategy.

Key terms in this document

Term	Description
Aboriginal housing	Refers to housing for Aboriginal or Torres Strait Islander people that is managed by the Department of Communities and Justice or community housing providers, including Aboriginal community housing providers.
Aboriginal Housing Office (AHO)	AHO owns and manages housing solely for Aboriginal and Torres Strait Islander people. Note: From 1 February 2024, AHO has transitioned into Homes NSW.
Affordable housing	Rental housing delivered and managed primarily by Community Housing Providers for very low to moderate income earners, including key workers. Rent for community rental housing is typically less than 30 per cent of the gross income of very low to moderate income households.
Community Housing Provider (CHP)	Community housing providers are organisations that deliver social or affordable housing and related services to people on very low, low or moderate incomes. Community housing providers are registered under the National Regulatory System of Community Housing.
Homes NSW	Division of the Department of Communities and Justice who manages housing and homelessness policy and service delivery, including Specialist Homelessness Services, social and affordable housing, Aboriginal housing and key worker housing.
Housing affordability	The term 'housing affordability' usually refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes. The concept of housing affordability is different to the concept of 'affordable housing', which refers to low-income or social housing.
Housing diversity	A mix of housing types to meet the needs of a socio-economically diverse community. This includes student housing, boarding housing, affordable rental housing, social (including public) housing and private market housing. Diversity also relates to the typology (form) of housing, to provide for the various cultural, social and economic needs of the community. This includes large, multi-generational homes, single detached houses, dual occupancies, terraces, multi-dwelling housing, manor houses, townhouses and apartments.
Housing stress	Households are in housing stress when they are spending more than 30% of gross household income on housing costs for very low, low and medium income households.
Key workers	Employees in services that are essential to the city's functioning but earn low to moderate income.
Low income households	People described as being on a low-income are those earning more than 50% but less than 80% of the NSW or Sydney median income.
Market housing	Housing delivered by the private sector, including private homes for sale to the broader community, and specialist housing such as boarding houses and student accommodation, which are rented to certain target markets.

Term	Description
Moderate income households	People described as being on a moderate income are those earning between 80-120% of the NSW or Sydney median income.
NSW Land and Housing Corporation (LAHC)	LAHC owns and maintains social housing properties across NSW. These properties are leased to residents by the Department of Communities and Justice. LAHC also leases properties directly to community housing providers. Note: From 1 February 2024, LAHC has transitioned into Homes NSW.
NSW Department of Communities and Justice	NSW Department of Communities and Justice manages the leases of social housing residents in NSW. Note: From 1 February 2024, the housing and homelessness services of the NSW Department of Communities and Justice have transitioned into Homes NSW.
Social housing	Housing for low-income earners and people experiencing disadvantage, accessed through the state housing application system. This includes: <ul style="list-style-type: none"> • Public housing owned and managed by the NSW State government • Housing owned and/ or managed by Community Housing Providers • Housing owned by the Aboriginal Housing Office.
Very low-income households	People described as being on a very low-income are those earning less than 50% of the NSW or Sydney median income, depending on where they live.

Table 1: Glossary



Figure 4: Housing Supply continuum

Section 2: Context

2.1 The need for affordable housing

The following factors are leading to demand for social and affordable housing in Wagga Wagga:

- Rent increases are outstripping income growth – While incomes are rising, rents are rising even faster, putting pressure on the 32.8% of Wagga Wagga households who rent in the private rental market².
- Housing is becoming less affordable in Wagga Wagga – The rising cost of housing combined with the rising cost of living is placing more households in housing stress. Of dwellings being rented in Wagga Wagga LGA, 28.3% of households are in rental stress with rental payments more than 30% of gross household income.³
- Of the dwellings owned with a mortgage in Wagga Wagga LGA, 9.3% of households were facing mortgage stress, with mortgage repayments greater than 30% of gross household income.⁴
- Long waitlist for social housing - The estimated wait times for social housing in Wagga Wagga are anywhere between 2-10 years. As of 31 December 2023, there were 646 general applicants and 38 priority applicants on the waitlist for social housing. The number of existing social housing supply has also decreased by 96 dwellings between 2016 and 2021.⁵
- Outdated social housing supply with a mismatch between the size of dwellings needed by residents – The majority of social housing dwellings were built at least 40 years ago, many of which are cottages with 3 bedrooms. Based on the requirements of waitlist applicants, the strongest demand for social housing is dwellings with 2 bedrooms or less, although anecdotally there is also demand for larger dwellings to cater for extended families or other larger households.⁶ More diverse social housing options and improved condition of social housing dwellings would contribute significantly to addressing need.
- Businesses and essential services need to be able to attract and retain a diverse workforce - The housing affordability crisis, coupled with the undersupply of rental housing for key workers, presents a challenge to drawing a strong labour force in Wagga Wagga (including key workers).⁷ Workers in essential services must be able to live in or near the city to support productivity and enable Wagga Wagga's economy to thrive and deliver services.
- Majority of existing housing supply is larger, low density separate dwellings – The current provision of market housing is dominated by large-detached dwellings. While many households make use of spare bedrooms, there is a mismatch between household size and the size of dwellings, with many people living in houses that have two or more bedrooms more than the number of occupants.⁸ This indicates that the existing housing stock in Wagga Wagga has capacity to accommodate significantly more people. Growth in smaller households is forecast in the future. Providing more opportunities for smaller dwellings will enable more affordable housing that suits diverse needs, particularly where land size and dwelling size can be reduced.

2. AHURI 2022. Why does Australia have a rental crisis, and what can be done about it. <https://www.ahuri.edu.au/research/brief/why-does-australia-have-rental-crisis-and-what-can-be-done-about-it>

3. ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.

SQMresearch February 2024. <https://sqmresearch.com.au/>

4. ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.

SQMresearch February 2024. <https://sqmresearch.com.au/>

5. NSW Communities & Justice 2023, Social housing applicant households on the NSW Housing Register by Allocation Zone (as at 31 Dec 23) <https://www.facs.nsw.gov.au/download?file=853196>.
<https://www.facs.nsw.gov.au/download?file=853196>.

6. NSW Land and Housing Corporation 2021. Wagga Wagga Local Area analysis November 2021. <https://www.dpie.nsw.gov.au/land-and-housing-corporation/plans-and-policies/local-area-analyses/wagga-wagga-local-area-analysis>.

7. NSW Communities and Justice September 2023. Housing Market Snapshot – Riverina Murray region. <https://www.facs.nsw.gov.au/providers/housing/affordable/plan/chapters/snapshots/housing-market-snapshot-riverina-murray-region>

8. ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.



Section 3: Existing approaches and frameworks

Existing approaches

Providing housing - and opportunities for housing - that is affordable and for those experiencing disadvantage is the responsibility of Federal, State and Local Governments. Each level of government can apply different mechanisms and levers to enable the provision of affordable housing. This section explores those mechanisms and opportunities.

3.1 Federal Government approaches

The Australian Government's policy settings include mechanisms such as international and regional migration, taxation (including capital gains and negative gearing), interest rates, financial regulation, social security programs (such as Commonwealth Rent Assistance) and grants and funding support (such as the National Rental Affordability Scheme and Housing Australia Future Fund). An overview of such funding approaches is detailed below.

3.1.1 National Housing Accord

Safe and affordable housing is central to improving productivity and enhancing the wellbeing of Australians. Currently, too many Australians are unable to access such housing. To help tackle this challenge, the Australian Government is bringing together all levels of government and the private sector under a new Housing Accord.

The new Housing Accord sets an initial, aspirational target of 1.2 million new, well-located homes over 5 years from 2024. This requires all levels of government to collaborate with market participants – including investors, and the residential development, building and construction sector – to unlock quality, affordable housing supply over the medium term.

Under the Accord, the Australian Government is committing \$350 million over 5 years to deliver 10,000 affordable dwellings at an energy efficiency rating of 7 stars or greater (or a state or territory's minimum standard). This commitment is in addition to the 30,000 new social and affordable dwellings delivered through the Housing Australia Future Fund.

Housing Australia Future Fund

The government is establishing the \$10 billion Housing Australia Future Fund to provide a sustainable funding source to increase housing supply and improve service delivery. Investments from the Fund will seek to draw in new investment from state and territory governments and private capital providers to deliver new social housing projects.

The Fund will provide 20,000 new social housing dwellings, 4,000 of which will be allocated to women and children impacted by family and domestic violence and older women at risk of homelessness. It will also provide 10,000 new affordable housing dwellings, including for frontline workers.

3.1.2 Social Housing Accelerator

The new \$2 billion Social Housing Accelerator will deliver thousands of new and refurbished social housing homes across Australia.

The payment was delivered to the states and territories in June 2023 so they could immediately commence investment in building new homes.

This investment will:

- create around 4,000 homes for Australians on social housing waiting lists
- permanently increase the stock of social housing.

The implementation plan outlining how NSW is intending to spend their share of the Social Housing Accelerator fund estimates around 1,500 new social homes will be added to existing social housing portfolios by 2028 for an average investment of around \$405,000 per home. The first new homes are expected to be available in 2024.

3.1.3 Federal home purchase grants / schemes

Help to Buy

The Help to Buy shared equity scheme will assist homebuyers to purchase a new or existing home with an equity contribution from the government. This aims to assist first homebuyers to purchase a home with a smaller deposit and mortgage. However, a recent report on such grant schemes suggests that the demand-side interventions favoured in Australia tend to add to demand and push up property prices⁹.

Regional First Home Buyer Guarantee

The Regional First Home Buyer Guarantee will provide 10,000 places each financial year to support regional first homebuyers to purchase a new or existing home, in a regional area, with a minimum deposit of 5%.

9. UNSW Media, AHURI 2022 <https://www.unsw.edu.au/newsroom/news/2022/07/do-first-home-buyer-schemes-improve-access-home-ownership>

3.2 State Government approaches

The NSW Government has several ways to facilitate the delivery of housing supply, including affordable and social housing options. The State Government approaches are commonly facilitated through dedicated organisations or policies. A summary of these mechanisms is outlined below.

3.2.1 Social Housing Providers

The NSW Government provides social housing through the Land and Housing Corporation (LAHC) and the Aboriginal Housing Office (AHO) (now Homes NSW).

NSW Land and Housing Corporation

The former NSW LAHC (now Homes NSW) was a statutory body with an asset portfolio of around 126,000 homes in NSW. Its Portfolio Strategy primarily aims to grow and change its housing portfolio to better meet the needs of its customers through renewal projects of its existing sites throughout NSW. To fund the development of new properties, and to maintain and renew existing properties, Homes NSW generates its income from the sale of properties that are high-value, high cost to maintain, or at the end of their lifecycle, and from the collection of rent.

One example of this approach being undertaken in Wagga Wagga is the renewal of the Tolland Estate as outlined below.

Tolland Estate Renewal

Homes NSW, the Argyle Consortium and Wagga Wagga City Council are working together to transform the Tolland Housing Estate into a neighbourhood of 500 new homes, with a mix of private, social and affordable housing, along with upgraded community facilities, roads and parks. The Tolland Estate is well located to support increased density, ideally located just 4 kilometres from the Wagga Wagga CBD.

The draft Tolland Concept Masterplan was exhibited between 11 September and 24 October 2023. It was adopted by Council on 27 May 2024. The Masterplan includes the following key components:

- approximately 500 new residential homes (including 180 homes dedicated to social housing)
- approximately 67,500m² of community parklands, which includes 16,000m² of new community parklands
- purpose-built seniors housing fronting Bruce Street and Awaba Avenue
- infrastructure to support the proposed development including roads, utilities, drainage basins, footpaths and landscaping.

The Tolland Renewal Masterplan will contribute to addressing the housing shortages of Wagga Wagga and will deliver a mix of housing typologies to ensure the long-term needs of future residents can be met.



Figure 5: Tolland Housing Estate Masterplan
Source: Homes NSW

Aboriginal Housing Office

The former NSW Aboriginal Housing Office (AHO) (now Homes NSW) is a statutory body that owns and manages around 6,000 homes solely for Aboriginal and Torres Strait Islander people and is a key provider of Aboriginal-specific housing services. Its aim is to ensure that Aboriginal and Torres Strait Islander people have access to affordable, quality housing.

At the same time, Homes NSW actively promotes employment opportunities for Aboriginal people, both within Homes NSW and through opportunities for tradespeople and trainees with contracted Aboriginal and non-Aboriginal building companies.

The AHO was funded by the NSW and Australian governments to administer the state's Aboriginal community housing assets.

3.2.2 State Environmental Planning Policy (Housing) 2021

Infill affordable housing bonus

On 14 December 2023 the NSW Government implemented infill affordable housing reforms to encourage private developers to boost affordable housing and deliver more market housing. This is facilitated through provisions which allow for either (or both) height and floor space ratio (FSR) development standards to be exceeded by between 20-30%, where between 10-15% of residential gross floor area (GFA) is dedicated as affordable housing. The height bonus only applies to residential flat buildings and shop-top housing. The FSR and height bonuses are proportional to the affordable housing component.

Within Wagga Wagga, the infill affordable housing provisions apply to land in areas within 800m walking distance of land zoned E1 Local Centre, MU1 Mixed Use, B1 Neighbourhood Centre, B2 Local Centre or B4 Mixed Use. Due to the limited use of FSR and height limits in the LGA, the bonus provisions are likely to have minimal impact in Wagga Wagga.

The affordable housing that is delivered under this policy requires the affordable housing portion of the development to remain affordable and be managed by a registered Community Housing Provider for a minimum of 15 years.

Accelerated self-assessment approval pathways

In June 2023, the NSW government announced major reforms that will provide Homes NSW with an expanded State Significant Development (SSD) approval pathway for projects with more than 75 homes or more than \$30 million capital investment. Landcom will also have access to the same pathway where any project it develops contains at least 50% affordable housing.

3.2.3 State-led rezonings

State-led rezonings are when the Department of Planning, Housing and Infrastructure (DPHI) leads a rezoning for large geographic areas or in precincts of state significance. Through this rezoning pathway the NSW Government can identify minimum targets for affordable and social housing dwellings as part of the future development of the geographical area or precinct.

Examples of where a State-led rezoning has included the provision of affordable housing, include:

- Blackwattle Bay (Sydney) (refer to below example)
- Rhodes (Sydney)
- Waterloo South (Sydney)

Despite the above, there has yet to be a State-led rezoning in a regional area that has included a minimum affordable housing requirement.



Figure 6: Blackwattle Bay State Significant Precinct. Source: DPHI

Example – State-led rezoning: Blackwattle Bay State Significant Precinct

In December 2022, the Blackwater Bay State Significant Precinct (SSP) rezoning to transform the waterfront industrial precinct into a vibrant mixed-use precinct was finalised. The rezoning will facilitate new planning controls unlocking new residential, commercial and retail floorspace as well as incorporate a network of interconnected parks and reflect the highest sustainable design. Importantly, the renewal of the precinct includes a 7.5% affordable housing contribution to ensure a long-term supply of affordable housing in locations close to public transport and services.

3.2.4 Housing 2041 – NSW Housing Strategy

In 2021 the NSW Government released a 20-year strategy that establishes the government's goals and ambitions to deliver better housing outcomes by 2041. The strategy is guided by the four key housing system pillars:

- **Supply:** to deliver housing supply in the right locations at the right time.
- **Diversity:** to provide housing that is diverse and meets varied and changing needs.
- **Affordability:** to provide housing that is affordable and secure.
- **Resilience:** to deliver enduring and resilient housing.

The strategy seeks to deliver on these key strategic pillars through joint partnership and collaboration between NSW Government agencies, councils, Community Housing Providers, development, academics, representative bodies and the NSW community. To support the strategy, multi-year action plans will be delivered by the Government to ensure the desired housing outcomes are delivered. The most recent 2021-2022 action plan identifies that most actions are relevant to both metropolitan Sydney as well as regional NSW, whilst also acknowledging that there can be different circumstances applying between metropolitan and regional NSW.

3.2.5 Utilising NSW Government-owned land

The NSW Housing Strategy recognises that the NSW Government has an important role to play in the provision of social and affordable housing solutions, including using government-owned land. This is reflected by the NSW Housing Strategy 2041 to maximise the impact of government-owned land, investment or assets, and government-led development projects or funding to achieve the housing vision.

Across NSW, the State Government contributes to the supply of housing through delivering housing on NSW Government-owned land that is surplus to State Government requirements. In this role, it is common for the NSW Government to commit to a proportion of housing on its land to be for the purpose of affordable housing.

3.2.6 Social housing partnerships programs and funding

The NSW Government has established several programs to fund partnerships with local organisations to provide new social housing and improve the setting and facilities of social housing communities and estates. Such programs include:

- **Community Housing Innovation Fund (CHIF)** - comprising \$225 million to deliver 1,000 social and affordable housing dwellings.
- **Social and Affordable Housing Fund (SAHF)** - \$1.1 billion initiative funding the provision of social housing between private and non-for-profit service providers.
- **Communities Plus** - \$22 billion program to redevelop Homes NSW sites to deliver more social housing and improve the social housing experience with supply tailored to meet specific needs.

3.3 Local Government approaches

At a local government scale, various councils across NSW have adopted initiatives and strategies to influence the delivery of affordable housing supply. The following examples are reflective of current approaches available under NSW planning legislation. While the following examples provide an overview of potential approaches, it is recognised that councils have different operating budgets and capacity to deliver and administer such approaches. These mechanisms may be developed and implemented at a regional scale: for example, the affordable housing scheme currently being considered by western Sydney councils. The different approaches are described below.

3.3.1 Affordable Rental Housing Contribution Schemes

Affordable Rental Housing Contribution Schemes (ARHCS) are council-led documents which set out how, where and at what rate development contributions can be collected by councils for affordable housing. ARHCs are applied through local environmental plans and Affordable Housing Contribution Plans, in accordance with Chapter 2 Affordable Housing, Part 1 (15) of the State Environmental Planning Policy (Housing) 2021. The affordable housing contributions rate is determined through the testing of affordable housing contribution rates by council to ensure the proposed contribution rate is viable and will not impact development feasibility and overall housing supply. ARHCs have been adopted by some metropolitan councils, with a lower uptake by councils in regional NSW.

LGA-wide approach

This approach is where a council adopts a mandatory minimum rate of affordable housing contributions to be delivered as part of any new development. This can be applied to residential and/or non-residential floorspace. This is typically enforced through an Affordable Housing Contribution Policy, and is commonly delivered through monetary or works-in-kind contributions. Contribution rates vary across councils but typically range between 5-10% of new residential floorspace.

Site-specific approach

A site-specific approach is when council adopts different affordable housing contributions rates for different areas or precincts across the local government area. These might be locations such as the CBD or a major urban renewal precinct. There have also been some instances where council has applied a higher affordable housing contribution rate for government-owned sites.

Examples – Affordable Rental Housing Contribution Schemes

Examples of councils using Affordable Rental Housing Contribution Schemes as an approach include:

- Randwick City Council applies an affordable housing levy of 3%- 5% for residential development in mapped town centres and housing investigation areas.
- Byron Shire Council has an Affordable Housing Contribution scheme that applies a 20% contribution rate to select areas within the LGA for any new residential development including multi dwelling housing, residential flat buildings, dual occupancies, development and subdivision for residential lots by community title, Torrens title and company title.
- Willoughby Council LEP 2012 includes an affordable housing clause which requires new residential development to include the dedication of 4%, 7% or 10% of gross floor area for affordable housing in certain mapped areas.

Examples of councils who have adopted affordable housing contribution schemes include City of Sydney, Canada Bay, Randwick, Willoughby and Waverley. There are fewer regional councils that have adopted affordable housing contribution schemes. This could be because regional areas tend to be relatively affordable when compared to metropolitan areas. ARHCS also impose an additional cost to delivering development – in regional areas, where profit margins are generally smaller, such a scheme may be viewed as a deterrent to the delivery of housing stock, due to the potential for lower profit.

Most recently, the Western Sydney Planning Partnership is currently investigating the opportunity to prepare a regional AHCS for the Western Sydney Parklands. The AHCS is to be prepared in joint collaboration between the Federal and State Government alongside all Western Sydney Parkland Councils to avoid duplications and ensure a consistent and cost-effective scheme to facilitating the long-term supply of affordable rental housing. A regional AHCS for the Riverina could look to partner Wagga Wagga City Council with other councils such as Griffith City Council, who share similar housing aspirations for the greater region.

3.3.2 Planning Agreements

This approach is when council and developers negotiate an affordable housing contribution for major development sites. This is commonly applied for Planning Proposals and is consistent with Ministerial Direction 6.1 to provide opportunities for tailored planning outcomes for specific sites. It is prudent for councils to have a clear policy in place which outlines the requirements of such a planning agreement approach.

3.3.3 Developer incentives

A developer incentives approach sees Council introduce density bonuses (i.e., additional height and/or gross floor area) or vary requirements of other planning controls (i.e., reduction in car parking rates) in return for an affordable housing contribution.

This approach is currently being investigated in Camden, Liverpool, Canterbury-Bankstown, Randwick and Central Coast Council. Griffith City Council provides an Affordable Housing rebate on secondary dwellings and rebates on section 7.11 and 7.12 contributions for developments providing affordable dwellings.

Examples – Planning Agreements

Examples of councils utilising planning agreements as an approach include:

- Clarence Valley has had a long-term focus on the provision of affordable housing, with an Affordable Housing Policy in place since 2009. There has since been a more recent version adopted from 2015. In October 2023, Council placed a subsequent draft Affordable Housing Policy and Draft Local Housing Strategy on exhibition. The Policy has evolved since 2009, with the drafted policy set to impose requirements for planning proposals to enter into a planning agreement with contributions of land for affordable housing, direct provision of affordable housing on site or a monetary contribution for affordable housing.
- The City of Sydney Council has Planning Agreement Guidelines that identify affordable housing as a valid contribution for planning agreements.

Examples – Developer incentives

Examples of councils utilising developer incentives as an approach include:

- The Central Coast LEP 2022 includes additional FSR of 0.1:1 for new residential developments delivering at least 75% of dwellings provided for the purposes of affordable housing. Successful outcomes from this incentive are yet to be identified.
- Wagga Wagga City Council currently exempts development for social housing, affordable housing and seniors housing provided by a social housing provider from paying contributions or levies.

3.3.4 Utilisation of Council assets and partnerships with community housing providers

This approach is when council utilises its own landholdings to facilitate the delivery of affordable housing through the following mechanisms:

- Council sells land at a discounted price with specific affordable housing delivery requirements. This has previously been completed at the City of Sydney and Central Coast.
- Council provides grant funding or land to directly support affordable housing. This has been successful in Griffith, Penrith, Shoalhaven, City of Sydney and Wollongong Council. Council directly partners with a Community Housing Provider to deliver affordable housing within the local government area. Councils who have previously followed this approach include Griffith, Randwick, Inner West, North Sydney and Willoughby.

Examples - Utilisation of Council assets

Examples of councils using partnerships as an approach include:

- The Abbott Road Affordable Housing Project - a partnership between Willoughby Council and Evolve Housing (Community Housing Provider) to deliver a 16-dwelling residential development that will be dedicated for essential workers. The project was approved in October 2023 and construction is expected to be complete in February 2025.
- The Griffin Green Affordable Housing Project - a joint venture between Griffith Council and Argyle Housing (Community Housing Provider) with \$6 million of Commonwealth funding to deliver 20 new medium density affordable units and 42 affordable housing lots. The first stage of works was completed in August 2023. The official opening took place on 31 July 2024.
- Central Coast Council resolved to transfer land to Pacific Link Housing Limited (Community Housing Provider) to build and deliver an affordable housing development that offers social and affordable housing to 70% of the tenants and limited private tenancy occupants of 30% at 23-25 Ashton Avenue, The Entrance.
- In August 2023, Inner West Council completed an audit and identified 10 opportunity sites for development of affordable housing on Council land. Inner West Council is currently in discussions with the State and Federal Housing Ministers to engage in partnerships to provide social housing at key shortlisted sites. Council's proposal seeks to maintain title over the sites where new homes will be built, alongside a Community Housing Provider for management.

3.3.5 Advocacy

Council advocacy for the long-term security of social and affordable housing is a key approach to ensure future needs within Wagga Wagga can be met. Advocating strongly for the provision of affordable housing and maintenance of affordable housing stock is required to ensure that the identified needs and demand of the community are met. Advocacy opportunities include:

- Advocating to the NSW Government to influence state-led policy and regulation to maintain and improve affordability in Wagga Wagga, in accordance with the Regional Housing Taskforce reforms.
- Local policies that guide Council's decision making and advocacy for increased funding and resources.
- Advocating and negotiating with developers for the provision of affordable housing as part of development projects.
- Advocacy is a key approach taken by many councils, including Willoughby, Central Coast, City of Sydney and Byron Bay.

3.4 Non-government organisation approaches

Mainstream and Aboriginal Community Housing Providers, and a small number of private organisations, also provide social housing.

3.4.1 Community Housing Providers

Community Housing Providers (CHPs) are not-for-profit organisations who own and manage social and affordable housing for very low to moderate income households. CHPs provide long term housing services and connect residents to support from other community organisations and specialist homelessness services. Argyle Housing is currently the key CHP in Wagga Wagga.

Partnerships between councils and CHPs can be effective to deliver and manage affordable housing, particularly where funding is derived from infrastructure contributions or where council or other government land is being developed for affordable housing. For example, Citywest Housing is a key partner with the City of Sydney in delivering and managing affordable housing that is funded at least in part by contributions from development under the City's Affordable Housing Contributions Scheme.

Examples - Advocacy

Examples of councils utilising advocacy include:

- The City of Newcastle advocated for the Broadmeadow Regionally Significant Growth Area to be selected as a State-Led Rezoning project as part of the NSW Government's accelerated Rezoning Pathways Program. The Program will fast track the delivery of new housing stock by 2024. The Growth Area is expected to be rezoned and deliver 2,000 new homes which will contribute to addressing the critical shortage of housing with new social and affordable dwellings delivered.
- The City of Sydney advocates through its Local Strategic Planning Statement for the delivery of a minimum 25% of floor space for affordable housing in perpetuity on all NSW government sites that are being rezoned or developed for residential purposes.

Section 4: Affordable and Social Housing in Wagga Wagga

4.1 Who needs social and affordable housing in Wagga Wagga?

Some people in the community are more likely to need to access social and affordable housing than others (see Figure 7)

- **Indigenous population:** Historical and ongoing colonisation experiences of Indigenous and Torres Strait Islander (First Nations) peoples have resulted in levels of disadvantage regarding housing situations and conditions.¹⁰
- **Level of education:** People with only a Year 12 equivalent level of education tend to have less likelihood of employment in higher paid, high-skilled jobs than those with a higher level of tertiary education.¹¹
- **Persons born overseas:** New migrants entering the workforce typically obtain employment in labour, low-skill and hospitality jobs which are lower paid.¹²
- **Unemployed:** People that are unemployed may rely on access to social housing.
- **Young women:** ABS data indicates that younger females (20-29 years) in Wagga Wagga may struggle to access housing.

A typical measure of understanding housing affordability is through housing stress. Housing stress is typically expressed as the ratio of housing costs to gross household income.¹³ The Australian Bureau of Statistics (ABS) describes this as low-income households (households with incomes that are in the lowest 40% of all households) that spend more than 30% of gross income on housing costs.

Social and affordable housing is required for the people of Wagga Wagga that cannot meet their housing needs through the private market. To understand the people in need of social and affordable housing in Wagga Wagga, we undertook an analysis of mortgage stress and rental stress by household type.

Mortgage Stress

Of the dwellings owned with a mortgage in Wagga Wagga LGA, 9.3% of households were facing mortgage stress, with mortgage repayments greater than 30% of gross household income.¹⁴ This is significantly lower than the NSW average. For example, regional areas like Byron Bay (21.3%), Port Stephens (14.1%), Albury (10.7%), Bathurst (10.7%) and Griffith (10.5%) have a larger share of mortgage households with mortgage repayments greater than 30% of gross household income.¹⁵ This can be attributed to variances in household prices rising greater than variances in households' incomes. Wagga Wagga is also relatively less accessible compared to other regional cities that include large town centres and are located along major transport nodes that can influence house prices. Following the 2021 ABS Census and COVID-19 Pandemic, there was also a significant shift in people moving from metropolitan cities to regional NSW which has put upward pressure on housing prices.¹⁶

As outlined in Table 2, lone person households (23.8%) and one parent family households (16.3%) are most likely to be experiencing mortgage stress. A smaller share of couple family with

10. AIHW 2023, Housing circumstances of First Nations People. <https://www.aihw.gov.au/reports/australias-welfare/indigenous-housing>

11. AIHW 2023, Higher education, vocational education and training. <https://www.aihw.gov.au/reports/australias-welfare/higher-education-and-vocational-education>

12. Coates, B Wiltshire, T & Reysenback, T 2023, Grattan Institute. Short-changed: How to stop the exploitation of migrant workers in Australia. <https://grattan.edu.au/report/short-changed-how-to-stop-the-exploitation-of-migrant-workers-in-australia/>

13. ABS (Australian Bureau of Statistics) 2019. Housing occupancy and costs, 2017-18, external site opens in new window. Canberra: ABS; and <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability> (accessed January 2023).

14. ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.

15. ABS 2021. Census data by LGA. <https://www.abs.gov.au/census/find-census-data/search-by-area>

16. ABS 2021. Regional internal migration estimates, provisional. <https://www.abs.gov.au/statistics/people/population/regional-internal-migration-estimates-provisional/latest-release>

Demographic factors that may influence social and affordable housing need in Wagga Wagga



Community profile

69,070 Estimated resident population
 ↑ by +4,830 residents from 2016

7.0% Indigenous population
 ↑ by +1.3% from 2016
 Regional NSW: 7.0%

9.1% Person born overseas
 ↑ by +3.4% from 2016
 Regional NSW: 6.11%

90.1% Speak English only at home
 ↓ by -3.5% from 2016
 Regional NSW: 93.5%

26.4% Attending education
 ↑ by +0.8% from 2016
 Regional NSW: 21.9%

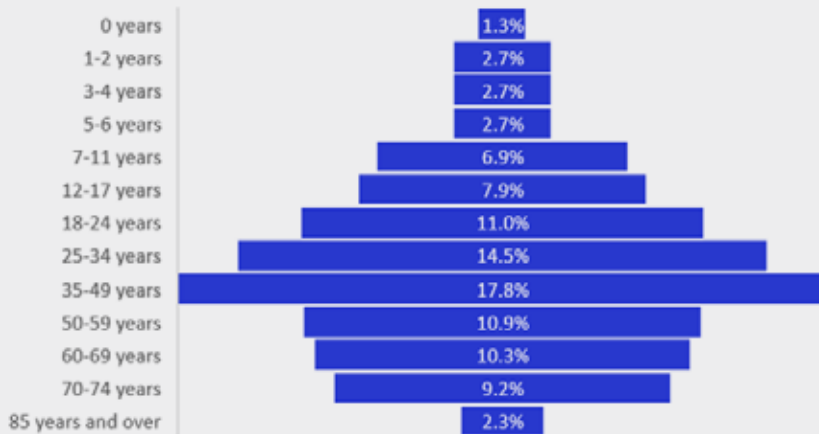
53.0% Year 12 or equivalent level of education
 ↑ by +3.6% from 2016
 Regional NSW: 48.4%

4.0% Unemployment rate
 ↓ by -1.5% from 2016
 Regional NSW: 4.5%

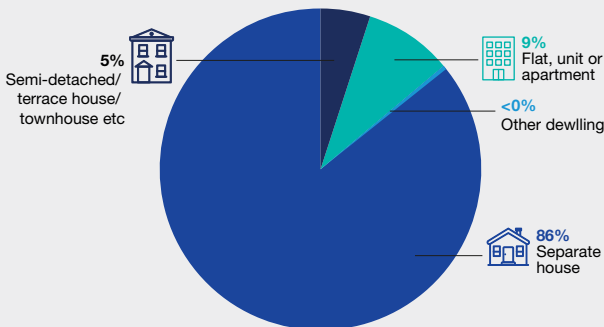
\$85,460 Household income
 ↑ by \$14,420 from 2016
 Regional NSW: \$75,280

35.6 Median age
 ↑ by +0.6 yrs from 2016

Age profile



Dwelling structure



Household composition

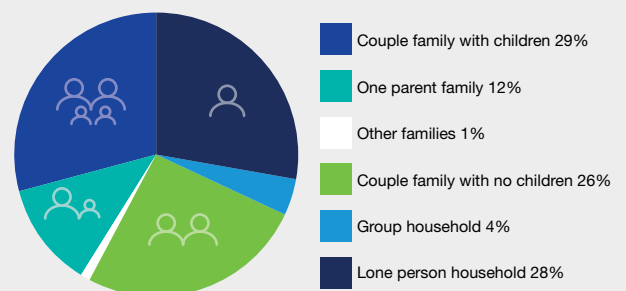


Figure 7: Demographic factors that may influence social and affordable housing need in Wagga Wagga.

Household type	No.of households experiencing mortgage stress	Proportion of household types experiencing mortgage stress	Regional NSW averages
Couple family with no children	150	8.1%	10.6%
Couple family with children	190	4.5%	7.5%
One parent family	130	16.3%	21.8%
Total family	470	6.9%	10.1%
Lone person household	310	23.8%	29.3%
Group household	10	4.8%	10.9%

Table 2: Mortgage stress by household type, Wagga Wagga LGA (2021). Source: ABS 2021

children households (4.5%) are experiencing mortgage stress, however the actual number of group households experiencing mortgage stress was the lowest number (10).

Rental Stress

Of dwellings being rented in Wagga Wagga LGA, 28.3% of households were facing rental stress with rent payments more than 30% of gross household income.¹⁷

As outlined in Table 3 and similar to households experiencing mortgage stress, lone person households (44.2%) and one parent households (40.9%) were most likely to be experiencing rental stress. A smaller share of couple family with children households (10.8%) were experiencing rental stress, however the actual number of group households experiencing rental stress was the lowest number (100).

The share of households experiencing rental stress is typically below the regional NSW averages. However, the proportion of renters vs owners in Wagga Wagga is significantly higher than the regional NSW averages, so while the percentages of each cohort in stress are lower than regional NSW averages, actual numbers of households experiencing rental stress is still significant.

Household type	Number of households experiencing rental stress	Proportion of households experiencing rental stress	Regional NSW averages
Couple family with no children	170	12.7%	20.8%
Couple family with children	190	10.8%	16.1%
One parent family	610	40.9%	48%
Total family	970	21.1%	28.6%
Lone person household	1220	44.2%	52.8%
Group household	100	15.6%	21.9%

Table 3: Rental stress by household type, Wagga Wagga LGA (2021). Source: ABS 2021

4.1.1 Homelessness

Homelessness is becoming a more acute and recognised housing issue across NSW¹⁸. In 2021,

17. ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.

18. DPHIE (Department of Planning, Housing, Industry and Environment) 2024, Towards system change update on a new

Wagga Wagga had an estimated 257 people experiencing homelessness which is a considerable increase (107 persons) from the 150 homeless people in 2016¹⁹. The rising cost of housing and rising cost of living is placing more households in housing stress, and can lead to increased rates of homelessness. With an existing strained supply of social housing available in Wagga Wagga, there is greater risk of people experiencing homelessness and need for social and affordable housing.

4.2 Supply of affordable and social housing

4.2.1 Current social housing supply

The NSW LAHC Local Area Analysis (November 2021) identified the existing supply of social housing in Wagga Wagga from 2021 as follows²⁰:

- **Amount:** There are 1,195 social housing dwellings in the Wagga Wagga LGA, accounting for about 5% of total dwellings in the area. These social housing dwellings house approximately 3.8% of total resident population or a total of 2,422 residents in 2021.
- **Household Type:** Of existing social housing dwellings, 550 are occupied by one person, 300 are two-person households, 400 are families with children and 200 are large households. The average household size of social housing dwellings is 2.0 persons.
- **Age:** The majority of social housing dwellings were built at least 40 years ago, most of which are cottages (approximately 800 dwellings) while some are units (approximately 150 dwellings). Approximately 350 social housing dwellings were built less than 40 years ago.
- **Suitability:** There is an oversupply of 3-bedroom social housing dwellings in Wagga Wagga, and an under-supply of studio or one-bedroom dwellings and to a lesser extent 4-bedroom dwellings. Based on the requirements of waitlisted applicants, the strongest demand for social housing is dwellings with 2 bedrooms or less.

4.2.2 Affordability of current market housing

The Local Government Housing Kit developed by the NSW Department of Communities and Justice provides statistics on housing costs and affordability for each LGA in NSW. ABS 2021 Census, Rental Board Bond, Property NSW sales data, Wagga Wagga house prices and rents trends, as well as amount of affordable rental stock, are outlined below in relation to regional NSW figures.

Examination of rental stock that is affordable by income group reveals that, compared to rest of NSW, Wagga Wagga housing stock is more affordable for low and very low-income households. There are an estimated 370 properties in Wagga Wagga LGA that are affordable. 25.41% of these dwellings are affordable for very low-income households which is notably higher than the rate in the rest of NSW at 16.97%. The higher rate suggests that, relative to the rest of NSW, there are more rented dwellings that are considered affordable for very low-income households. Housing stock that is affordable for purchase by very low-income households is estimated at 16.55%, which is also higher than the rate for the rest of NSW (7.5%).

Despite the higher percentages of affordable rental and purchase stock in Wagga Wagga compared to the rest of NSW, rental and home purchase stress rates are similar between the two geographical areas. The share of very low-income households experiencing rental stress in Wagga Wagga is estimated at 47.5%, almost equivalent to that of the rest of NSW at 47.8%. Very low-income households with a mortgage in Wagga are experiencing slightly higher rates of housing stress (39.2%) compared to the rest of NSW (37.8%).

homelessness approach in NSW.

19. Profile ID 2. ABS, 2049.0 Estimated Homelessness, 2016. <https://profile.id.com.au/wagga-wagga/highlights?BMID=210>.

20. <https://www.dpie.nsw.gov.au/land-and-housing-corporation/plans-and-policies/local-area-analyses/wagga-wagga-local-area-analysis>.

This may indicate that the number of homes that are affordable to low and very low-income households is insufficient compared to the number of households requiring those homes.

4.2.3 Housing through community housing providers

As of June 2021, community housing providers (CHPs) manage 229 dwellings in Wagga Wagga LGA. There are currently two CHPs active in Wagga, Argyle Housing and Amelie Housing. Argyle Housing manages the majority of community housing (214 dwellings). Of the CHP-managed housing in Wagga, 205 dwellings are general housing, 16 dwellings are crisis accommodation, and 7 dwellings are classified as affordable housing.²¹ Approximately 70 of the dwellings managed by CHPs in Wagga are social housing owned by the NSW Land and Housing Corporation.²²

Homes NSW will be transferring the management of tenancies in Tolland from Homes NSW to Argyle Housing in 2024. This will increase the share of state-owned properties managed by CHPs.

4.2.3 Future supply

Historically, the location and provision of affordable and social housing has been limited to concentrated residential estates. In Wagga Wagga specifically, 75% of the existing supply of social housing is provided in four suburbs or estates across the LGA. However, concentration of affordable and social housing can result in social isolation and limit access to services and transport.

There has been a step-change in NSW in the provision of affordable and social housing, with a greater focus on mixed tenure housing and community integration. Recent reforms by the NSW Government are directed at increasing the supply of new social and affordable housing in well-connected places to ensure equal opportunities to access services. Importantly, the future stock of affordable housing is likely to be allocated to essential workers.

A review of future social housing provision utilising Cordell Connect and NSW LAHC data identified seven social housing projects in the Wagga Wagga LGA. Two of these projects were recently completed in 2021, with two other projects underway and planned for completion in 2024 and a remaining three projects currently in the proposal stage.

Project Title	Project Address	Project City	Type	Completion Date	Project Stage	Social Dwellings
Recently completed						
Wagga Wagga LAHC	8-12 South Pde	Wagga Wagga	UNITS (10) - 2 storey	Mid 2021	Completed	10 units
Wagga Wagga LAHC	16 Spring St	Wagga Wagga	UNITS (4)	Late 2021	Completed	4 units
Underway						
Wagga Wagga LAHC	21-25 North Pde	Wagga Wagga	UNITS (12)	Mid 2024	Tenders Called	12 units
Tolland Social Housing Estate Renewal	Various locations within Tolland	Tolland	Residential estate - renewal	Late 2024	Tenders Called	180 dwellings
Wagga Wagga LAHC (Renewal)	34-40 South Pde	Wagga Wagga	2 x 3-storey residential flat building	Data not available	DA Approved	17 units
Wagga Wagga LAHC (Renewal)	48-56 South Pde	Wagga Wagga	2 x 3-storey residential flat building	Data not available	DA Approved	19 units
Proposal						
Wagga Wagga LAHC (Renewal)	18-22 Spring St	Wagga Wagga	Data not available	Data not available	Data not available	Data not available

Table 4: Recent and future supply of social housing.

Source: Cordell Connect, NSW LAHC, dpie.nsw.gov.au/land-and-housing-corporation/regional/wagga-wagga, Wagga Wagga City Council

21. Community Housing Industry Association NSW, <https://communityhousing.org.au/our-impact/data-dashboard/>

22. NSW Land and Housing Corporation, https://www.dpie.nsw.gov.au/data/assets/pdf_file/0004/509377/Wagga-Wagga-local-area-analysis.pdf

4.3 Demand for affordable housing and social housing

Review of ABS data from the 2021 Census indicates that:

- Of dwellings being rented in Wagga Wagga LGA, 28.3% of households were facing rental stress with rent payments more than 30% of gross household income.
- Of the dwellings owned with a mortgage in Wagga Wagga LGA, 9.3% of households were facing mortgage stress, with mortgage repayments greater than 30% of gross household income. This is significantly lower than the NSW average.

Since the 2021 Census, household stress is likely to have increased in line with rising mortgage interest rates and increases in weekly rents in 2022 and 2023. Therefore, we expect a steady growth and demand for affordable housing and social housing supply in the future for Wagga Wagga.

To forecast the future demand for affordable housing, an assessment of household types experiencing household stress was undertaken, as outlined in Figure 8. In total, an additional 810 households are projected to face some level of housing stress with the majority facing rental stress (610 households). An examination of different household types reveals that lone persons are likely to face the highest level of housing stress, with an estimated 1,330 lone person households expected to face housing stress by 2041. These figures translate into real housing need to address the ongoing housing affordability issue with the Wagga Wagga LGA.

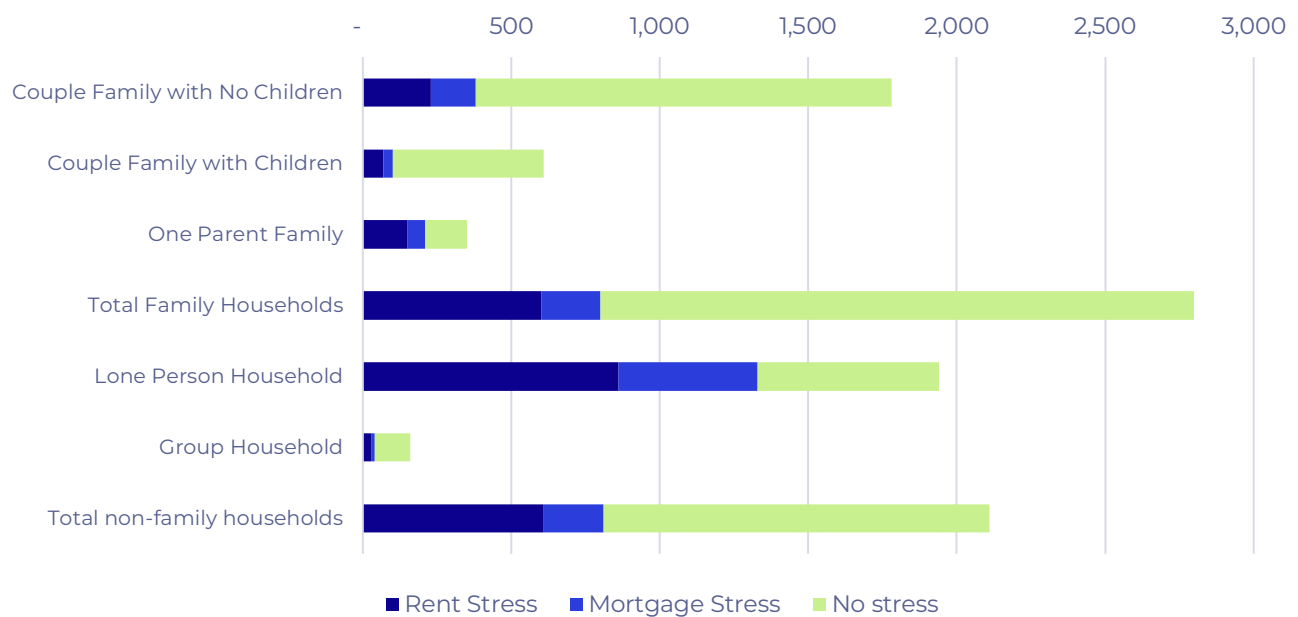


Figure 8: Additional Housing Stress in Wagga Wagga LGA (change from 2023 to 2041). Source: Household composition is derived from the DPIE 2022 Common Planning Assumptions Projections

Section 5: Options for Council moving forward

5.1 Advocacy

A key option for Council to support greater amounts of social and affordable housing in Wagga Wagga can be through an advocacy and leadership approach. Council is well-placed to advocate change to State and Federal government, engage and participate with stakeholders, and promote opportunities for better housing outcomes. Depending on Council's appetite, various advocacy initiatives are described in the table below. Council may choose to take up these initiatives or establish different ones through the development of the Affordable Housing Strategy.

Policy Approach	Potential Implementation Mechanisms	Benefits	Challenges
Assertive	<ul style="list-style-type: none"> Council prepares a Local Housing Strategy and Affordable Housing Strategy which sets clear actions around the delivery of social and affordable housing. By including these actions, Council advocates to the community and industry that it values the delivery of social and affordable housing. 	<ul style="list-style-type: none"> Establishes a clear strategy and actions for Council, State Government, developers and community housing providers. Sets a clear vision and identifies key areas that are suitable to support social and affordable housing supply. 	<ul style="list-style-type: none"> Time and resource intensive for Council to prepare and maintain over a long period of time which is usually required for advocacy to be effective.
	<ul style="list-style-type: none"> Council lobbies the NSW Government for increased funding and resourcing for social and affordable housing initiatives, as well as suitable State Government land for affordable housing development in the Wagga Wagga LGA. 	<ul style="list-style-type: none"> Potential access to large amounts of funding. No significant costs for Council. 	<ul style="list-style-type: none"> Requires Government commitment and ready supply of capital. Timely commitment from Council.
Moderate	<ul style="list-style-type: none"> Council participates in expressions of interest for funding and resources linked to the provision of affordable housing. 	<ul style="list-style-type: none"> Potential access to large amounts of funding. No significant costs for Council. 	<ul style="list-style-type: none"> Dependent on the NSW Government allocating funding and resources.
	<ul style="list-style-type: none"> Council sponsors and leads information sessions, public forums and workshops to gauge community understanding and developer capability for new affordable and social housing supply. 	<ul style="list-style-type: none"> Enables the community and key stakeholders to be aware of, and consulted, in the process. 	<ul style="list-style-type: none"> Time and resource intensive for Council. Does not guarantee supply of affordable housing.
	<ul style="list-style-type: none"> Council advocates for community benefits to be delivered as part of State Significant Development Applications, which may include housing, funding, or other infrastructure. 	<ul style="list-style-type: none"> Potential offset to impacts on the community from major projects. No significant cost for Council. 	<ul style="list-style-type: none"> Dependent on external organisations to deliver. No statutory mechanism to enforce.
No change	<ul style="list-style-type: none"> Council continues 'business as usual', with no specific actions to improve social and affordable housing outcomes. 	<ul style="list-style-type: none"> No additional resourcing required from Council. 	<ul style="list-style-type: none"> Delivery of social and affordable housing is dependent on CHPs and the private market.

Table 5: Advocacy mechanisms

5.2 Partnerships

An option for enabling social and affordable housing supply would be for Council to enter into a partnership with a CHP. This option relies on Council providing funding or land to deliver social and/or affordable housing. The various mechanisms to facilitate partnerships are outlined in Table 6 below.

Policy Approach	Potential Implementation Mechanisms	Benefits	Challenges
Assertive	<ul style="list-style-type: none"> • Council partners with a CHP for the delivery, tenancy and management of new social and affordable housing projects. This will be via Council providing funding or land to the CHP. 	<ul style="list-style-type: none"> • CHPs are skilled and experienced in working with tenants. This includes proactive tenancy management practices and established partnerships with specialist providers that can support future tenants who may have additional needs. • Ensures that dwellings are designed to be suitable to meet long-term affordable housing needs. • CHPs are required to adhere to regulatory performance requirements relating to property condition and asset management under the National Regulatory System for Community Housing. • Cost effective operations as a result of the tax-exempt status of CHPs, thus lowering operating costs. • Effective in tight housing markets, ensuring a supply of affordable housing. • Asset remains in Council's ownership. 	<ul style="list-style-type: none"> • Can be time and resource intensive during negotiations with the CHP. • Council is responsible for structural maintenance and asset replacement. • Potential community backlash. • Substantial additional funding is required to enable Council to meet its asset maintenance obligations in this scenario.
Moderate	<ul style="list-style-type: none"> • Council engages, and forms relationships with, local CHPs with the intent of forming a partnership to deliver affordable housing. This would likely see Council providing advice and identifying opportunities for the CHP, rather than direct contributions via funding or land. 	<ul style="list-style-type: none"> • Establishes good rapport and opportunities for various organisations to contribute to the affordable housing in the LGA. • Provides opportunities for CHPs to identify key characteristics required in sites to encourage partnership opportunities. 	<ul style="list-style-type: none"> • No major challenges.
	<ul style="list-style-type: none"> • Council completes an LGA wide audit to develop a list of eligible landholdings that can support affordable housing supply. The selected sites should be determined upon a set of criteria such as: <ul style="list-style-type: none"> - Being well-located, within close proximity to public transport and local services - Maximising yield of social and affordable housing - Not within environmentally protected lands or land that is environmentally constrained. 	<ul style="list-style-type: none"> • Identifies suitable and eligible sites that can appropriately support social and/or affordable housing, enabling Council to be ready if an offer is made by a CHP. 	<ul style="list-style-type: none"> • Dependent on Council resourcing and can delay timing for next stages of partnering with a CHP. • Significant additional time and resourcing is required to enable Council to deliver this action.
No change	<ul style="list-style-type: none"> • Council continues with 'business as usual'. 	<ul style="list-style-type: none"> • No additional resourcing required from Council. 	<ul style="list-style-type: none"> • Delivery of social and affordable housing is dependent on CHPs and the private market.

Table 6: Partnership mechanisms

5.3 Collaboration

The collaboration approach to deliver social and affordable housing has previously been achieved through the Tolland Estate Renewal Project in Wagga Wagga. Other options to expand collaboration opportunities are outlined in Table 7 below.

Policy Approach	Potential Implementation Mechanisms	Benefits	Challenges
Moderate	<ul style="list-style-type: none"> • Council to investigate multi-tenure models that can incorporate affordable housing, social housing and private housing to encourage new developments to improve social inclusion and reduce social stigmas. 	<ul style="list-style-type: none"> • Encourages social inclusion, consistent with state and regional planning objectives. 	<ul style="list-style-type: none"> • Can be a time and resource intensive process for Council. • Reliance on the developer to deliver a portion of affordable dwellings within a scheme may mean they are not designed or built for long term affordable housing.
	<ul style="list-style-type: none"> • Council to investigate multi-tenure models that can incorporate affordable housing, social housing and private housing to encourage new developments to improve social inclusion and reduce social stigma. This could include collaboration with Homes NSW to undertake this work. 	<ul style="list-style-type: none"> • Proactive approach enables Council to be prepared if future renewal occurs. 	<ul style="list-style-type: none"> • May be a time and resource intensive process for Council. • Reliant on Homes NSW providing investment and prioritising delivery of social and affordable housing in Wagga Wagga.
No change	<ul style="list-style-type: none"> • Council continues with 'business as usual'. 	<ul style="list-style-type: none"> • No additional resourcing required from Council. 	<ul style="list-style-type: none"> • Delivery of social and affordable housing is dependent on CHPs and the private market.

Table 7: Collaboration mechanisms

5.4 Statutory mechanisms

Statutory mechanisms to drive social and affordable housing supply are an effective approach that many councils have opted to adopt. The various options to deliver social and affordable housing supply through statutory mechanisms are outlined in Table 8 below.

Policy Approach	Potential Implementation Mechanisms	Benefits	Challenges
Assertive	<ul style="list-style-type: none"> • Council introduces an Affordable Housing Contributions Scheme which sets out a contribution rate for new residential floorspace to deliver affordable housing. The policy should identify areas to which the policy applies, the contribution rates and the method of calculation. 	<ul style="list-style-type: none"> • Provides implementation mechanisms for Council's Affordable Housing Strategy. • Provides a level of certainty for long term supply of affordable housing. This includes setting a clear pipeline of contributions that can be utilised by CHPs, or the construction of affordable housing by developers/ CHPs. • Establishes a clear, consistent and legislated requirement that does not rely on independent planning agreements and is less resource intensive for Council. • The contribution rate must be established through a feasibility study, ensuring it is suitable for the local market. 	<ul style="list-style-type: none"> • Imposes additional monetary requirements upon developers that can impact development feasibility. • Adds cost to the delivery of new housing which may impact affordability and the supply of new housing. • Requires resources from Council to undertake the feasibility study and planning proposal to implement the Scheme.
	<ul style="list-style-type: none"> • Council introduces a Voluntary Planning Agreement Policy for Affordable Housing. This may allow for additional FSR or height, or a variation to other controls in accordance with section 7.4 of the Environmental Planning and Assessment Act 1979 in return for a contribution towards affordable rental housing in perpetuity as public purpose. 	<ul style="list-style-type: none"> • Provides benefits to all parties involved. • Grants a level of flexibility to achieve tailored development outcomes. 	<ul style="list-style-type: none"> • Is a negotiation process and therefore no certainty on the secured amount of affordable housing contributions (monetary or dwellings being delivered). • Can be a time and resource intensive process for Council. • Clear policy (i.e. an adopted Affordable Housing Policy/Strategy) is required to justify requirements, ensure equity and consistent outcomes. • Can result in long time frames to completion as sufficient funds need to be accumulated, and a development site secured. • Reliance on the developer to deliver a portion of affordable dwellings within a scheme may mean they are not designed or built for long term affordable housing.
	<ul style="list-style-type: none"> • Council investigates opportunities to amend the Wagga Wagga Local Environmental Plan (LEP) to require and/or incentivise the delivery of affordable rental housing. 	<ul style="list-style-type: none"> • Effective and attractive to developers. 	<ul style="list-style-type: none"> • Much of the LGA is not constrained by a height or FSR limit, thereby negating the policy across extensive areas of the LGA.
Moderate	<ul style="list-style-type: none"> • Council to consider DCP amendments to reduce parking standards in the CBD core for residential development to reduce development costs. 	<ul style="list-style-type: none"> • If implemented in conjunction with other initiatives, it may reduce development costs and enable developers to deliver social and/or affordable housing. 	<ul style="list-style-type: none"> • Time and resource extensive to undertake relevant investigations. • If introduced as a standalone update, does not guarantee the delivery of social or affordable housing.
No change	<ul style="list-style-type: none"> • Council continues with 'business as usual'. 	<ul style="list-style-type: none"> • No additional resourcing required from Council. 	<ul style="list-style-type: none"> • Delivery of social and affordable housing is dependent on CHPs and the private market.

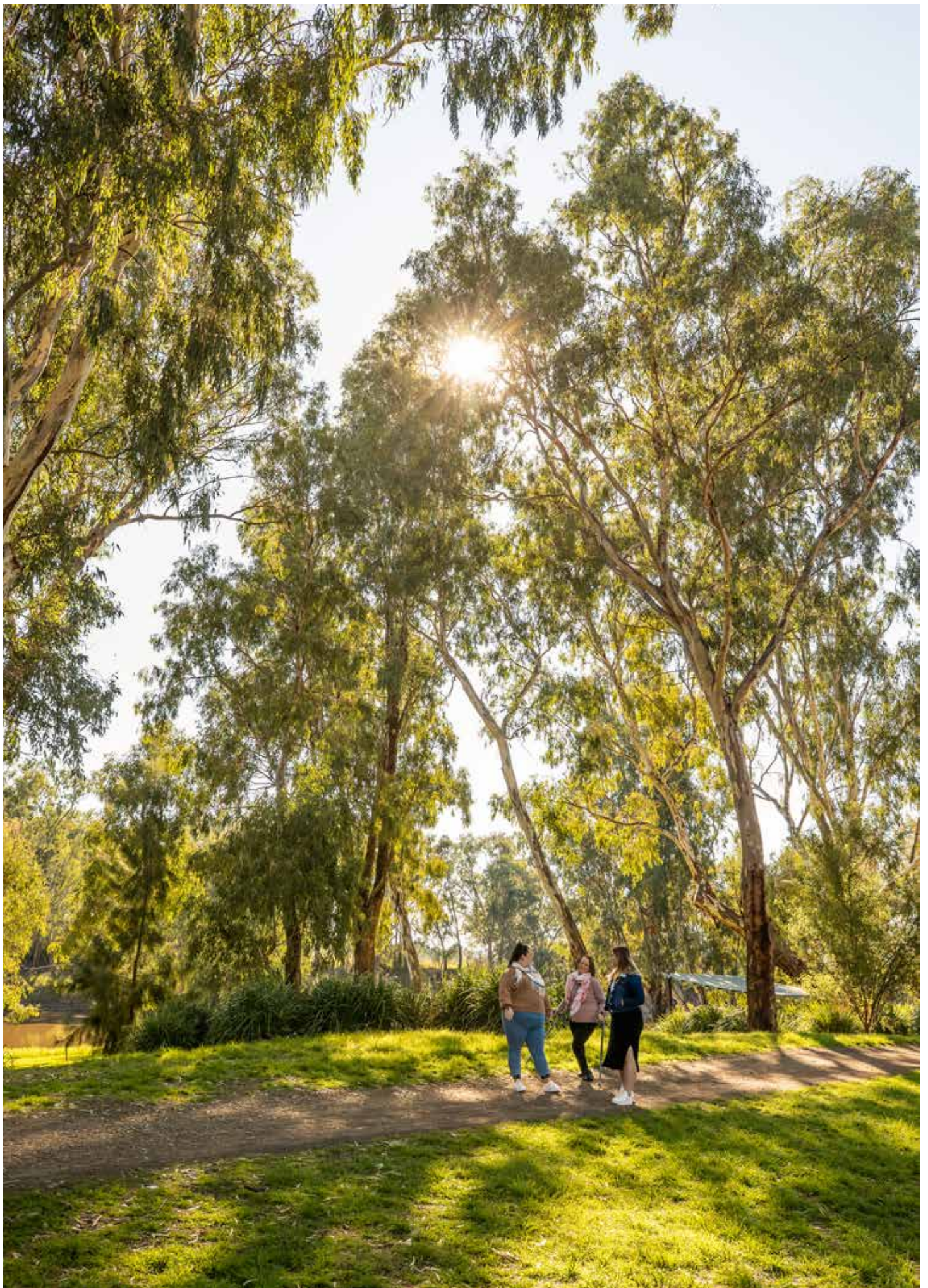
Table 8: Statutory mechanisms

5.5 Direct Intervention

An initiative Council can adopt to facilitate increased affordable housing supply is through direct intervention. This is an uncommon approach in Australia and is more commonly seen in the UK, where the levels of government and functions of councils differ. These options are discussed in Table 9 below.

Policy Approach	Potential Implementation Mechanisms	Benefits	Challenges
Assertive	<ul style="list-style-type: none"> • Council becomes a CHP, owning and managing social and affordable housing in Wagga Wagga. 	<ul style="list-style-type: none"> • Housing will be designed and developed to meet targeted affordable housing needs for the long term. • Land stays in Council's ownership and Council has the ability to directly provide housing to the market. 	<ul style="list-style-type: none"> • Council will be responsible for tenancy management and property maintenance. • Significant additional costs and staffing requirements as Council does not currently undertake this role.
Moderate	<ul style="list-style-type: none"> • Council sells land assets to CHPs for the purposes of affordable housing. • Note: This would require Council to undertake a review of suitable land and collaborate with the Property Team. 	<ul style="list-style-type: none"> • Guarantees and secures land for dedicated social and/or affordable housing supply. • Ensures CHPs are not competing with profit-based organisations who may be able to pay more for land. 	<ul style="list-style-type: none"> • Dependent on Council having surplus or underutilised land that is suitable for housing or mixed-use development. • Potential community backlash.
No change	<ul style="list-style-type: none"> • Council continues with 'business as usual'. 	<ul style="list-style-type: none"> • No additional resourcing required from Council. 	<ul style="list-style-type: none"> • Delivery of social and affordable housing is dependent on CHP and the private market.

Table 9: Direct intervention mechanisms



5.6 Summary

The following table provides a summary of options for Council to consider that could improve social and affordable housing supply in Wagga Wagga. These options have been categorised into the following priority groups:

- High - short term = high priority and should be delivered in the short term (1-3 years)
- Moderate – medium term = moderate priority and should be delivered in the medium term (4-6 years)
- Low – short term = low priority and can be carried out in the long term (beyond the next 6 years).

Option	Impact	Priority	Indicative Cost
Advocacy			
Council prepares a Local Housing Strategy and Affordable Housing Strategy which sets clear actions around the delivery of social and affordable housing. By including these actions, Council advocates to the community and industry that it values the delivery of social and affordable housing.	Assertive	High – short term	Over \$100k
Council lobbies the NSW Government for increased funding and/or resourcing for social and affordable housing initiatives, as well as suitable State Government land for affordable housing development in the Wagga Wagga LGA.	Assertive	Low – long term	Under \$25k
Council participates in expressions of interest for funding and resources linked to the provision of affordable housing.	Moderate	Low – long term	Between \$25k to \$100k
Council sponsors and leads information sessions, public forums and workshops to gauge community understanding and developer capability for new affordable and social housing supply.	Moderate	Low – long term	Under \$25k
Council advocates for community benefits to be delivered as part of State Significant Development Applications, which may include housing, funding, or other infrastructure.	Moderate	Low – long term	Under \$25k
Partnerships			
Council partners with a CHP for the delivery, tenancy and management of new social and affordable housing projects. This will be via Council providing funding or land to the CHP.	Assertive	Moderate – medium term	Over \$100k
Council engages, and forms relationships with, local CHPs with the intent of forming a partnership to deliver affordable housing. This would likely see Council providing advice and identifying opportunities for the CHPs, rather than direct contributions via funding or land.	Moderate	Low – long term	Under \$25k
Council completes an LGA wide audit to develop a list of eligible landholdings that can support affordable housing supply. The selected sites should be determined upon a set of criteria such as: <ul style="list-style-type: none"> • Being well-located, within close proximity to public transport and local services • Maximising yield of social and affordable housing • Not within environmentally protected lands or land that is environmentally constrained. 	Moderate	High – short term	Between \$25k to \$100k
Collaboration			
Council to investigate multi-tenure models that can incorporate affordable housing, social housing and private housing to encourage new developments to improve social inclusion and reduce social stigmas.	Moderate	Moderate – medium term	Between \$25k to \$100k

Option	Impact	Priority	Indicative Cost
Council commences reviews into other social housing estates that may present opportunities for renewal and approaches Homes NSW to program the renewal process.	Moderate	Moderate – medium term	Under \$25k
Statutory mechanisms			
Council introduces an Affordable Housing Contributions Scheme which sets out a contribution rate for new residential floorspace to deliver affordable housing. The policy should identify areas to which the policy applies, the contribution rates and the method of calculation.	Assertive	High – short term	Between \$25k to \$100k
Council introduces a Voluntary Planning Agreement Policy for Affordable Housing which allows for additional FSR or height or a variation to other controls in accordance with section 7.4 of the Environmental Planning and Assessment Act 1979 in return for a contribution towards affordable rental housing in perpetuity as public purpose.	Assertive	High – short term	Under \$25k
Council investigates opportunities to amend the Wagga Wagga Local Environmental Plan (LEP) to require and/or incentivise the delivery of affordable rental housing.	Assertive	High – short term	Between \$25k to \$100k
Council to consider DCP amendments to reduce parking standards in the CBD core for residential development to reduce development costs.	Moderate	Moderate – medium term	Between \$25k to \$100k
Direct intervention			
Council becomes a CHP, developing and managing social and affordable housing in Wagga Wagga.	Assertive	Moderate - medium term	Over \$100k
Council sells land assets to CHPs for the purposes of affordable housing.	Moderate	Moderate – medium term	Between \$25k to \$100k
Note: This would require Council to undertake a review of suitable land and collaborate with the Property Team.			

Table 10: Summary of options for Council to facilitate affordable housing supply

Section 6: Next steps

This Interim Paper is an early step toward the preparation of Council's Affordable Housing Strategy. Over the next 12-24 months, Council will evaluate which approaches can feasibly be utilised within the Wagga Wagga LGA. The Wagga Wagga Affordable Housing Strategy will set out the long-term framework to address the need for social and affordable housing in the LGA. The Strategy will include measures and monitoring of the actions in the Strategy, to ensure the desired outcomes are achieved. The Strategy will be informed by further detailed research and community consultation with the local community and industry stakeholders, including through public exhibition.

This Interim Paper will be superseded following the adoption of the Wagga Wagga Affordable Housing Strategy, having served its purpose in setting the baseline of background information and potential options for Council to support the delivery of social and affordable housing supply.

Sources

- ¹ UNSW media 2023 <https://www.unsw.edu.au/newsroom/news/2023/06/regional-cities-not-a-simple-housing-solution-for-metropolitan-growth-pressures>.
- ² AHURI 2022. Why does Australia have a rental crisis, and what can be done about it. <https://www.ahuri.edu.au/research/brief/why-does-australia-have-rental-crisis-and-what-can-be-done-about-it>.
- ³ ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.
SQMresearch February 2024. <https://sqmresearch.com.au/>.
- ⁴ Not used.
- ⁵ ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.
SQMresearch February 2024. <https://sqmresearch.com.au/>.
- ⁶ NSW Communities & Justice 2023, Social housing applicant households on the NSW Housing Register by Allocation Zine (as at 31 Dec 23) <https://www.facs.nsw.gov.au/download?file=853196>.
- ⁷ NSW Land and Housing Corporation 2021. Wagga Wagga Local Area analysis November 2021. <https://www.dpie.nsw.gov.au/land-and-housing-corporation/plans-and-policies/local-area-analyses/wagga-wagga-local-area-analysis>.
- ⁸ NSW Communities and Justice September 2023. Housing Market Snapshot – Riverina Murray region. <https://www.facs.nsw.gov.au/providers/housing/affordable/plan/chapters/snapshots/housing-market-snapshot-riverina-murray-region>.
- ⁹ ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.
- ¹⁰ Not used.
- ¹¹ AIHW 2023, Housing circumstances of First Nations People. <https://www.aihw.gov.au/reports/australias-welfare/indigenous-housing>
- ¹² AIHW 2023, Higher education, vocational education and training. <https://www.aihw.gov.au/reports/australias-welfare/higher-education-and-vocational-education>
- ¹³ Coates, B Wiltshire, T & Reysenback, T 2023, Grattan Institute. Short-changed: How to stop the exploitation of migrant workers in Australia. <https://grattan.edu.au/report/short-changed-how-to-stop-the-exploitation-of-migrant-workers-in-australia/>
- ¹⁴ ABS (Australian Bureau of Statistics) 2019. Housing occupancy and costs, 2017–18- external site opens in new window. Canberra: ABS; and <https://www.aihw.gov.au/reports/australias-welfare/housing-affordability> (accessed January 2023).
- ¹⁵ ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.
- ¹⁶ ABS 2021. Census data by LGA. <https://www.abs.gov.au/census/find-census-data/search-by-area>
- ¹⁷ ABS 2021. Regional internal migration estimates, provisional. <https://www.abs.gov.au/statistics/people/population/regional-internal-migration-estimates-provisional/latest-release>
- ¹⁸ ABS 2021. Wagga Wagga 2021 Census All persons QuickStats. <https://www.abs.gov.au/census/find-census-data/quickstats/2021/LGA17750>.
- ¹⁹ DPHIE (Department of Planning, Housing, Industry and Environment) 2024, Towards system change update on a new homelessness approach in NSW.
- ²⁰ Profile ID 2. ABS, 2049.0 Estimated Homelessness,2016. <https://profile.id.com.au/wagga-wagga/highlights?BMID=210>.
<https://www.facs.nsw.gov.au/providers/housing/affordable/about/chapters/who-are-very-low-to-moderate-income-earners>



Contact us



Visit our website
wagga.nsw.gov.au



Like us on Facebook
City of Wagga Wagga



Email us
council@wagga.nsw.gov.au



Follow us on Instagram
@WaggaCouncil



Talk with us
1300 292 442



Follow us on Twitter
@WaggaCouncil