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Riverina Murray Region
Department of Planning and Environment
PO Box 58
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Electronic submission

To whom it may concern

Draft Riverina-Murray Regional Plan 2041

While much attention has been paid to the housing crisis as it effects Sydney, it is clear that regional NSW is also suffering a housing supply crisis, and insufficient work has been done by State and Local Governments to ensure housing supply meets demand.

The recent Bush Summit held in Griffith unearthed many of the real-life implications of this housing crisis - the difficulty in attracting workers, often taking years, and then businesses faced with difficulties in retaining staff through to the simple fact that the worker could not find appropriate housing.

A steady pipeline of a variety of housing options is critical in underpinning the economic development of the regions.

In this context, Urban Taskforce notes that the draft's predecessor, the Regional Plan 2036, released in 2017, paid cursory attention to housing. In fact, it was disappointing at the time that housing was not identified as a priority in the 2036 Plan.

Nevertheless, the 2036 Plan contained a number of directions and actions aimed at addressing housing supply. Urban Taskforce notes that Councils have been preparing local housing strategies, and that work should have been prepared to be incorporated into the 2041 updated Plan. When the 2036 Regional Plan was published, the timing of local housing strategies was only medium term - it should have been more critical to inform this plan.

Urban Taskforce in its submission to the Regional Housing Taskforce emphasises the need to quantitative research to underpin strategic documents like the Regional Plans:

Up to date qualitative research needs to be undertaken to ensure the current regional housing demand is collated and

is properly understood by State and Local Governments. The demographic projections in the regions are too low and the dwelling targets set are reacting to past underestimates rather than forward planning a realistic growth for the future.
Urban Taskforce submission to Regional Housing Taskforce, 2021

Turning to the 2041 Plan, it is hardly surprising, yet disappointing, that the emerging housing crisis was not identified earlier on. The draft Plan
“Recognise[s] stronger than expected population growth, particularly along the Murray River, and related housing pressures” (p. 7)

And further on,
“Stronger than anticipated population growth has, in some areas, exhausted serviced land supply; new growth areas will be required to meet demand.”
(p.28)

Yet the day-to-day planning work undertaken by Councils in the region reflects an ad hoc approach to addressing housing shortage.

In May 2022 Wagga Senior Strategic Planner publicly stated that “council planned to develop a residential strategy, but in the meantime, it would judge proposals on their merits on a case-by-case basis”¹

The Regional Plan should provide the strategic framework, backed by targets, to assist council in the planning responsibilities. An ad-hoc approach to housing benefits no-one.

Regional housing crisis

A cursory assessment of home sales on Domain shows the dramatic spike in the three major centres in the Riverina -Murray over the 4 years since 2018.

In Albury, the median price of a 3- bedroom home has skyrocketed from an average of \$446,000 in 2018 to \$735,000 in 2022 – an 164% increase.² Albury is preparing a local housing strategy, but it is early days. Even so, the preliminary documents show considerable distress, with increasing risk of homelessness.³

Median growth for a typical three-bedroom home Wagga reflects a similar trajectory – up 55% since 2018.⁴ A median three-bedroom home in Griffith now cost \$473,000, up from \$300,000 in 2018 – a 58% increase.⁵

¹ <https://www.dailyadvertiser.com.au/story/7761530/rezoning-old-csu-campus-a-lack-of-big-picture-thinking-councillor/>

² [Albury NSW 2640, Suburb Profile & Property Market Trends | Domain](#)

³ Albury Local Housing Strategy: Discussion Paper, p2

⁴ [Wagga Wagga NSW 2650, Suburb Profile & Property Market Trends | Domain](#), accessed 29 August 2022

⁵ [Griffith NSW 2680, Suburb Profile & Property Market Trends | Domain](#)

The draft Plan acknowledges that since the release of the Riverina Murray Regional Plan 2036, amendments to planning legislation have elevated the importance of strategic planning at a regional and local level in managing population growth, requiring higher-level planning to account for local strategic planning statements.

Yet the 2041 Plan fails to incorporate any targets or quantitative measures that could be derived from the Local Strategic Planning Statements.

There should be specific reference in the Regional Plan of housing targets need to address supply shortfalls. Further, Councils need to be held to account in meeting the objectives and targets contained within their own planning statements.

Recommendation 1 – that the Riverina Murray Regional Plan 2041 contains residential housing targets and hold councils to account for delivering on those targets

Unlike the recent draft North Coast Regional Plan 2041, there is no commitment to establish an urban development program that should be introduced in the major regional centres of Albury, Griffith and Wagga. The State needs to work with the larger regional councils, which will have to do most of the heavy lifting when it comes to addressing housing supply over the next two decades and beyond.

Recommendation 2 – that the Government commit to establishing an Urban Development Program for the Riverina Murray, with an initial focus on the major centres of Albury, Griffith and Wagga Wagga.

Regional Housing Taskforce

The 2041 Riverina Murray Plan needs to be updated to reflect the Government's response to the Regional Housing Taskforce. Released Housing supply for regional NSW must urgently consider current trends and migration patterns to identify future supply pipelines, that are mandated and enforced through revised LGA dwelling targets. Pipelines that 'overshoot' projected demand – will be important in allowing for a 'catch-up' to the current undersupply and to deliver opportunities for housing that is affordable into the future.

The NSW Government's response to the Taskforce contains 5 actions:

1. Expand the urban development program areas to improve the coordination and delivery of new housing;

2. Facilitate the strategic use of government-owned land to provide improved housing outcomes through the delivery of affordable, diverse housing, and key worker housing;
3. Support the preparation of local and sub-regional housing strategies with clear implementation plans that are backed by up-to-date technical studies;
4. Introduce standard planning pathways for temporary worker accommodation and investigate planning pathways for innovative housing options for a variety of needs; and
5. Establish long-term benchmarks that ensure housing in regional NSW meets the needs of regional communities and improve monitoring and forward planning⁶

The commitment of greater rigor in assessing, benchmarking and delivery housing supply is welcomed – and this should be reflected in the draft Plan 2041.

Recommendation 3: All five actions contained within the Government's response to the Regional Housing Taskforce should be embedded with the Regional Plans and related technical documents.

Most, if not all regions in NSW should be subject to the same rigor and analysis when it comes to housing supply. Given the demonstrated housing supply challenges, particularly in the three major centres of the Riverina Murray region, NSW needs to work closely with the relevant councils in devising strategies and plans, back with realistic targets, that will deliver the housing needed.

We note that the NSW Government has announced recently that it will commission Crown Lands and Land and Housing Corporation to look at Crown Land across the regions that could be suitable for residential. This should also entail an expediting of Aboriginal Land Claims over Crown Land. Resolution of such matters will increase the potential stock of public land that could accommodate a growing population.

Recommendation 4 – that the Government expedite the resolution of land claims made under the *Aboriginal Land Rights Act 1983*, with a strategic focus on those lands which could accommodate residential development near large regional centres

⁶ DPE, *Government Response to Regional Housing Taskforce*, August 2022 <https://www.planning.nsw.gov.au/-/media/Files/DPE/Plans-and-policies/Housing/Regional-housing-taskforce/Government-response-to-the-Regional-Housing-Taskforce.pdf?la=en>

On a positive note, the Urban Taskforce notes that the NSW Government is allocating \$12 million to help them plan for housing that is affordable, diverse, and resilient, as well as up to \$250,000 each through the Regional Housing Strategic Planning Fund. The Government has also recently allocated funding to 23 regional councils through the Accelerated Infrastructure Funding program to address housing supply.

Whilst this funding is welcomed and will make some difference in addressing the housing crisis engulfing many parts of the State, the draft Riverina Murray Regional Plan 2041 is an opportunity to set a clearer direction with greater level of details and specific targets when it comes to housing, that should not be missed.

Specific comments on the Plan

With regard to some of the details contained in the draft Plan, the Urban Taskforce makes the following comments and recommendations.

OBJECTIVE 5 – Ensure housing supply, diversity, affordability and resilience

“New housing supply in regional areas is dominated by large, detached dwellings that do not align with demand for smaller accessible and affordable housing”

One of the key benefits of a regional lifestyle is that a large house that meets all family and recreational needs can be purchased or constructed for a fraction of the equivalent dwelling in a major city. It is hardly a surprise that when regional cities such as Wagga pursue aggressive growth strategies that the production focus is on large dwellings in greenfield estates.

Smaller, accessible and affordable housing may be in demand, but it is impossible to actually deliver commercially as costs per unit are higher and planning constraints for infill projects make it unattractive to developers. This is really the province of government agencies and housing cooperatives.

The reasons identified on pages 28 and 29, explaining housing shortfall is mostly accurate. Urban Taskforce takes particular issue with the last dot point regarding land banking.

Generally, it takes between five to seven years to obtain the necessary approvals for a subdivision in regional NSW. It then takes a further 2 years to obtain a Development Consent to allow the project to commence. For almost a decade, the developer has held the land based upon an initial feasibility that is 10 years old. In that time circumstances may well have changed. A drought lasting up to 5 or 7 years may appear and generally

these projects are no longer feasible especially when the holding costs and additional charges dreamt up over the 10 years are applied to the feasibility.

Recommendation 5 - that DPE revise those sections in the draft that erroneously refer to land banking, and instead reflect on the time and risk involved in bringing residential land onto the market.

An inherent risk is that what was feasible at the outset, is no longer 10 years later. If more efficient planning processes and quarantining existing zonings from all these new charges such as Biodiversity, then you may find land would be coming to market a lot sooner. But to blame land banking is completely misleading.

Medium density development within the CBD is often mooted as the market to be explored to provide diversity. This is also inhibited by planning height restrictions within the CBD and the encroachment of older original housing stock that is protected for conservation. Quality sites for higher density development are rare and mostly in locations that are not ideal to achieve the returns required for such projects.

- **STRATEGY 5.2 “Councils should consider preparing local affordable housing strategies, either separately or as part of a local housing strategy, to identify solutions and actions to support low-income renters and purchasers.”**

This recommendation is well beyond the competence and skill levels of most councils in regional areas who are struggling to simply keep up with the current development workload. The lack of qualified staff is a major problem (in itself a reflection of housing shortages in the region). To impose further challenges, without considerable assistance from the State, is setting up a plan to fail.

There are multiple issues affecting affordability. Many are recognized within the report, however at its most fundamental it is impossible to deliver dwellings cheaper than the average market when the same cost factors are applied.

To deliver affordable housing requires removal of major contributions, taxation adjustments by both federal and state governments and access to free land. The Urban Taskforce would be skeptical of the success of any council-driven initiative when many of the challenges are simply outside their control and capacity to resolve.

Recommendation 6: That the State Government consider additional resources for Local Government areas where housing is in crisis or falling behind demand.

OBJECTIVE 6 – Support housing in regional cities and their sub-regions

The proposition that redevelopment and higher densities will be the focus of urban growth in regional cities is at best unlikely in the short term and will be to a smaller degree over the longer term. There is no evidence that a substantial market exists for higher density living that supports such a proposition.

The proposition to encourage rural residential development in the surrounding villages of Junee, Coolamon and The Rock is a good one, however there is a need to distinguish a realistic definition of rural residential. One of the most in demand lot sizes regionally is 2000sqm, which is considered to be rural residential. Lot sizes less than 500sqm on freehold land will always be a difficult marketing challenge. It works for low density villas, but not for greenfield development.

The following example of housing target in Wagga Wagga highlights the challenges facing regional housing supply. Wagga has a program target to grow the city to 100,000 residents by 2038. To achieve this target the following housing supply will be required:

- Current population 64,000
- Target population 100,000
- Population growth 36,000
- No of years to 2038 to deliver result = 17 years
- Current average dwelling occupancy = 2.3 people per dwelling
- No of extra dwellings required by 2038 = 15,000 dwellings
- No of dwellings required pa for 17 years to meet target = 882 pa
- No of dwellings currently produced on average = 450 pa
- Shortfall pa = 432 dwellings
- **Total shortfall over 17 years = 7,344**
- **No of zoned house lots available to be purchased and developed today. <500 lots**

These figures provide a stark and precise scope of the challenge facing Wagga Wagga City Council. Massive capital investment has been injected into creating jobs in the Special Activation Precinct (SAP), which the Government claims is attracting considerable international and national interest from companies looking to expand or relocate operations to Wagga.

Housing the expected increase in workforce is a considerable problem and has the potential to undermine the success of the Government's significant investment in the Wagga Special Activation Precinct.

OBJECTIVE 7 – Provide for appropriate rural residential development p.34

STRATEGY 7.1

Strategy 7.1 looks at the characteristics that are ideal for locating rural residential property. They are on the whole well considered and should act as a guide to developers/proponents and councils when considering planning proposals for such land usage. Attention is drawn to point 4, which recommends that such land:

“not be located on environmentally sensitive land or areas of cultural or heritage significance or not adversely affect nearby land with those values”

The biodiversity provisions can now retrospectively impact projects that have been zoned and gazetted in accordance with the *EP&A Act 1979*.

Given the current status of the listing of native grasses as a major determinant of what constitutes environmentally sensitive land this principle needs to be applied to **ALL** zonings in regional areas and not confined to rural residential. The grasses are prolific and extend across the whole state from border to border. It is not unusual to witness poisoning along major highways taking place by councils and the like.

It must be the duty of the relevant approval authority to guarantee that land it chooses to rezone is absolutely suitable for development prior to zoning.

As it stands a land zoning in regional NSW is of no commercial value as it does not provide a guaranteed authority or right to actually use the land for its zoned purpose. There are multiple cases where land parcels have been either fully or partially extinguished post zoning due to the presence of particular prescribed habitat, flora, fauna and archeology. This uncertainty has led to financial institutions refusing to lend against rural land for development, which in turn limits development interest in taking the risk.

Recommendation 7 – once the appropriate authority zones land, it must come with a certificate of compliance that it meets all environmental, heritage, flora and fauna and archeology provisions and no further investigation is necessary.

OBJECTIVE 8 – Provide for short-term accommodation

“Councils need to plan for a range of housing and accommodation options, particularly where demand for temporary accommodation is high.”

In any small town with a population less than 1,000, such an objective is near impossible. Any consideration of making short term rental accommodation available will need to be housed within major regional cities, not villages.

Occupancy rates for hotels and motels in Wagga hover around 90%. This is heightened with major events such as march outs that occur at Kapooka army barracks, which occurs every couple of months. At times it is impossible to obtain hotel style accommodation.

Seasonal harvests also present a variable level of demand on local housing in the regions.

It is erroneous to think that standard rental housing is available in regional cities on short term rental. It is built with minimum one-year leases.

A quick perusal of Airbnb revealed 10 properties available in Wagga, mostly large homestead properties away from the CBD, and quite expensive. Caravan parks are typically full, so the summary is that for short term workers perhaps they need to travel with their own caravan.

There is a possibility for a properly constructed and managed relocatable housing option that could serve a dual purpose of providing affordable housing for long term rental as well as providing affordable short-term accommodation. Similar premises in Queensland and along the northern NSW coast are immaculately kept and could be one of the options available to council and planners to entice developer interest. Such development does not attract the impost of contributions and the land could be leased on long term basis to the operator thus making it feasible to develop and secure a return.

Recommendation 8 – that the Regional Plan provides for strategies and programs to facilitate the construction and management of relocatable housing that would serve a dual purpose of affordable local housing and short -term accommodation, depending on seasonal demand

Concluding remarks

The Urban Taskforce believes that the Regional Plans need to be the provision of a range of housing options to not just cater for the existing population but have a pipeline that will assist businesses attract and retain their workforce.

There seem to be little reflection on any outcomes achieved by the 2036 Plan when it comes to housing. The 2041 simply seems to be an update, with little change from the actions outlined when the 2036 Plan was finalised in 2017.

Regional Councils need the support of State Government, both resource wise and from a regulatory standpoint to be able to carry out many of the actions contained within the Plan and the Regional Housing Taskforce.

The NSW Government's response to the Regional Housing taskforce reflected the need for a more quantitative approach to planning for and delivering the housing that the regions need.

The draft Riverina-Murray Regional Plan 2041, the first to be released after the Government's response to the Regional Housing Taskforce, needs to better reflect the Government's intentions.

Should you wish to discuss this submission, please contact the Urban Taskforce's Head of Policy, Planning and Research, Mr Stephen Fenn, on 9238 3969 or by email stephen@urbantaskforce.com.au.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tom Forrest', with a stylized flourish extending to the right.

Tom Forrest
Chief Executive Officer

Urban Taskforce recommendations

Recommendation 1 – that the Riverina Murray Regional Plan 2041 contains residential housing targets for each local government area and holds those councils to account for delivering on those targets

Recommendation 2 – that the Government commit to establishing an Urban Development Program for the Riverina Murray, with an initial focus on the major centres of Albury, Griffith and Wagga Wagga.

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