

HAY HOUSING STRATEGY 2022



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1. Rationale for the Strategy

1.1 Overview

The section provides a summary of relevant findings on housing demand, supply, need and affordability, and the legislation underpinning of Council's Housing Strategy context for the priority strategies set out in Section 2 below.

1.2 What is 'Affordable Housing'?

Housing is 'affordable' when very low- and moderate-income households are able to meet their housing costs and still have sufficient income to pay for other basic needs such as food, clothing, transport, medical care and education. This is generally accepted to be where such households pay less than 30% of their gross household income on housing costs. Often this is targeted to be workers such as Nurses, Ambulance, teachers and retail workers.

The following table provides relevant benchmarks for 'affordable housing' for the purpose of this *strategy*. These are consistent with definitions and benchmarks in the *NSW Environmental Planning and Assessment Act 1979 (NSW)*, and related policies. These should be updated at least annually to reflect CPI changes.

Table 1: Relevant Affordable Housing Income and cost Benchmarks (2020-21)

	Very low-income household	Low-income household	Moderate-income household
Income Benchmark	<50% of Gross Median H/H income for Rest of NSW	50-80% of Gross Median H/H income for Rest of NSW	80%-120% of Gross Median H/H Income for Rest of NSW
Income Range	<\$806	\$1,288	\$1,933
Affordable Rental Benchmarks	\$242 per week	\$258-\$386	\$387-\$580
Affordable Purchase Benchmarks	\$107,000	\$295,000	\$522,000

Source: NSW FACS Website

The above-mentioned Cost Benchmarks are generally in accordance with *SEPP (Affordable Housing (Revised Schemes))* which defines 'affordable housing' as:

"A household is taken to be a very low-income household, low-income household or moderate-income household if the household:

- Has a gross income that is less than 120 percent of the median household income for the time being for the Greater Sydney (Greater Capital City Statistical Area (according to the Australian Bureau of Statistics) and pays no more than 30 percent of that gross income in rent, or
- Is eligible to occupy rental accommodation under the National Rental Affordability Scheme and pays no more rent than that which would be charged if the household were to occupy rental accommodation under that scheme.

What is social housing? Social housing is housing that is provided to eligible households, with rents subsidised to ensure that households pay an affordable rent (typically up to 25% of household income). Social housing is housing that is owned by the Department of Communities and Justice (public housing) as well as housing that is owned or managed by registered housing providers (community housing), such as Argyle Housing.

1.3 Why is Affordable Housing Important?

Anyone in the community could need affordable housing. This includes a young person seeking to live near where they grew up, a recently separated or divorced person with children for whom conventional home ownership may no longer be economically viable, household's dependent on one (or even two) low or median waged jobs, or an older person on a reduced retirement income, including after the death of a spouse.

Lack of affordably priced housing not only affects the quality-of-life individual families, who may be sacrificing basic necessities to pay for their housing. It also has a serious impact on employment growth and economic development. The inability of lower paid workers to find appropriate, affordable housing can limit the capacity of industry to grow, and adversely affect local economies, as is the case with regional areas like Hay. The displacement of long-term residents due to lack of affordable housing also reduces social cohesion, engagement with community activities such as volunteering, and extended family support.

Affordable housing is thus a necessary component of community infrastructure that supports community wellbeing and social and economic sustainability, it results in a diverse labour market and economy, and strong and inclusive communities.

1.4 Housing Supply and Demand

Hay is regarded as the 'gateway to the outback of Western Riverina', and a major transport corridor for of inland regional towns. It has a resident population of 2,882 people (2021) and like many rural and regional areas, Hay has experienced historical population decline. The decline in population impacts the level of higher earnings professions (teachers, solicitors, doctors) and leading to reduced equity for housing investments with an older population and less young people. This is exacerbated by an aging population with reduced capacity to invest.

Future decline of 0.6% per annum is projected, or a total population of 2,635 and potential decline in the demand for an additional dwelling by 2036. If future predicted population declines (0.6% per annum) are realised, there be reduced demand for dwellings by 2026. As a result, there is a deficit of housing stock for rent.

The Hay Structure Plan 2022 provides the following analysis and data relevant to housing in Hay:

1.4.1 Population

In 2021, Hay Shire was estimated to have a population of 2,882 people.

The main township of Hay (2,288) and its immediate surrounds accounted for approximately 79% of the total population with the remaining population located within the rural areas (440) and small villages that make up the Hay Shire including Maude (73) and Booligal (81).

The median age of the population in 2021 was 48 years old.

This is comparatively high when compared against the NSW and national average of 39 years of age. This relatively high median population is reflective of the large number of persons aged over 50, which comprises approximately 48.2% of the total population.

Consistent with NSW and national trends the number of persons aged over 65 is predicted to increase by 200 persons from 600 in 2016 to 800 by 2041.

Population projections predict that the population of Hay Shire is due to decrease by approximately 600 people between 2016 and 2036 from approximately 3,000 people to 2,400 people.

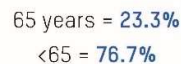
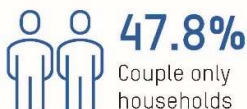
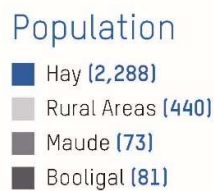
This decline is consistent with population trends since 1981 and is attributable to a number of factors such as drought, water availability and productivity/technological advancements in agriculture.

The population decline is also reflective of lower birth rates and a smaller number of females at reproduction age (16-40).

Whilst it is acknowledged that as a whole, Hay Shire is predicted to decline, it is expected that the population of the main township of Hay will remain steady or in fact may slightly increase.

This will be the result of in migration from retired farmers and the elderly from outlying rural areas and small villages into the main township in recognition of the wider range of services and housing types available to this age group.

Anecdotal evidence also suggests that there may be in migration to rural areas post COVID, which has already begun in the township of Hay.



1.4.2 Housing

Demand for new housing is available within the main township of Hay, although anecdotal advice is that some of the housing stock within town is nearing the end of its useable life and will require replacement.

The demand for housing in Hay is driven by a range of demographic trends such as decreasing household sizes and changing needs and preferences for different housing types.

A snapshot of the local housing profile and key housing market trends, based on 2021 ABS Census Data, is shown in figure below.



1,373

Total dwelling stock



2.2

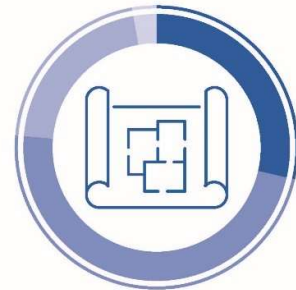
Average household size



■ Occupied **82.7%**
■ Unoccupied **17.4%**



■ Owned outright **43.0%**
■ Mortgaged **21.7%**
■ Rented **26.4%**



■ 1 bed **2.7%**
■ 2 bed **17.7%**
■ 3 bed **43.2%**
■ 4+ bed **33.1%**



33.5%

Single person households



\$170

Median weekly house rent



\$221

Median weekly mortgage repayment

HOUSING TYPES

In 2021, there were approximately 1,373 private dwellings within Hay. Of these, the predominant housing type was separate houses. These made up approximately 91.4% of the total housing stock, when compared with other forms of housing (semi-detached, row or terrace house, townhouse, flat or apartment).





This figure is much higher when compared against the NSW and National average of 65.6% and 72.3% respectively.

Of note, Hay has a significantly higher proportion of unoccupied private dwellings when compared to elsewhere. Unoccupied dwellings make up approximately 17.4% of the total housing stock.

It is understood that the majority of these vacant dwellings comprise unoccupied former farm dwellings, as well as derelict or delapidated houses.

Anecdotally, approximately 9 dwellings per annum are subject to a Development Application for demolition or a Council Order to demolish a derelict building.

Dwelling Structure

	Hay	New South Wales	Australia
 Separate house	1,037 91.4%	1,902,734 65.6%	6,710,582 72.3%
 Semi-detached, row or terrace house, townhouse etc.	80 7.1%	340,582 11.7%	1,168,860 12.7%
 Flat or apartment	12 1.1%	630,030 21.7%	1,319,095 14.2%
 Other Dwelling	3 0.3%	19,374 0.7%	54,711 0.6%

HOUSEHOLD AND FAMILY COMPOSITION

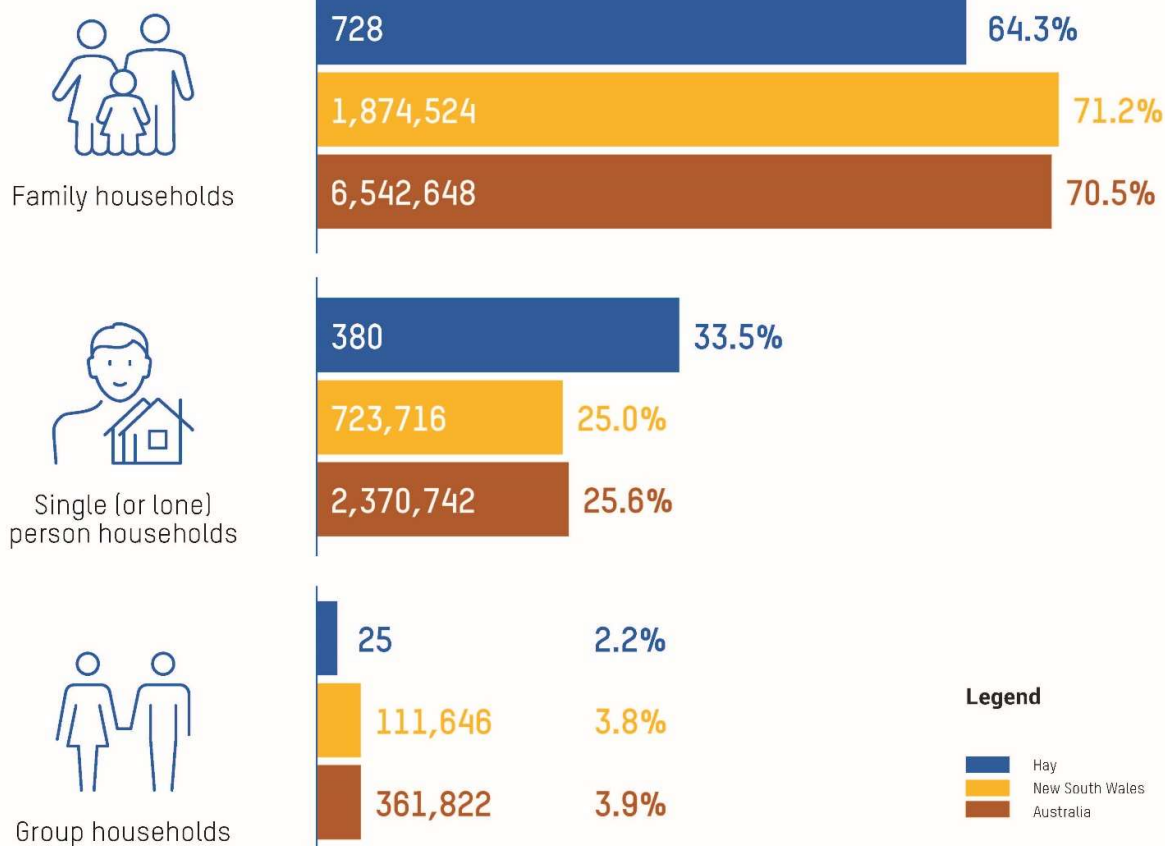
The household composition within Hay Shire varies from the state and national average as there is a comparatively higher number of single or lone persons households. This type of household represents approximately one third of all household types.

As a result, the number of family households also vary from state and national averages and represent a comparatively smaller percentage of total household types. Of these household types, couple only households form the largest proportion (47.8%) as compared to NSW and Australia as a whole.

Reasons for this include the large number of retired couples, 'empty nesters', lone elderly persons (widowers), as well as rural workers, which are typical of single person and couple only households.

The average household size within Hay Shire as a whole in 2021 was 2.2 persons per household. This figure has declined from 2.5 in 2006 and reflects a nationwide trend of smaller household sizes, which is expected to further decline to 2.03 by 2041.

Household Composition



In Hay (Urban Centres and Localities), of all households 63.0% were family households, 35.1% were single person households and 1.9% were group households

DWELLING SIZES

The size of dwellings within Hay Shire also varies from state and national averages with households generally comprising 3 or more bedrooms with comparatively fewer 1- and 2-bedroom dwellings.

Specifically, the number of one-bedroom dwellings comprises only 2.7% of the total housing stock. This figure is not reflective of the fact that approximately 35% of the household types comprise single (or lone) person households.

NUMBER OF BEDROOMS

NUMBER OF BEDROOMS						
	Hay	%	New South Wales	%	Australia	%
None (includes bedsitters)	4	0.4	21,051	0.7	44,864	0.5
1 Bedroom	30	2.7	190,792	6.6	488,681	5.3
2 Bedrooms	199	17.7	657,578	22.7	1,768,530	19.1
3 Bedrooms	487	43.2	1,006,121	34.7	3,617,803	39.0
4 Or more bedrooms	373	33.1	983,314	33.9	3,224,351	34.8
Number of bedrooms not stated	34	3.0	41,623	1.4	130,989	1.4
Average number of bedrooms per dwelling	3.2	—	3.1	—	3.1	—
Average number of people per household	2.2	—	2.6	—	2.5	—

1.4.3 Residential Supply and Demand Analysis

RESIDENTIAL DEMAND

Demand for vacant residential land is directly related to the number of new dwellings that are constructed.

35 new residential dwellings were constructed in the township of Hay between 1 July 2015 and 30 June 2020 according to Council's Development Application and Complying Development Certificate register.

On average, this equates to a demand for 7 new residential dwellings per annum.

These dwellings have been constructed across a number of different land use zones including conventional urban lots (RU5 Village), small scale hobby farms (RU4 Primary Production Small Lots), as well as agricultural properties (RU1 Primary Production) as summarised below.

The most popular residential lot type in Hay is within the RU5 Village, which equates for approximately 60% of all total new dwelling constructions. Demand has also been strong for RU4 Primary Production Small Lots (23%), which have a minimum lot size of 2 hectares.

Whilst it is acknowledged that dwelling projections for the Hay Shire LGA are forecast to decline between 2016 and 2041, given the projected reduction in household sizes and expectant in-migration from outlying areas, the level of housing demand is expected to remain stable or in fact slightly increase to 10 dwellings per annum.

2015-2016



2016-2017



2017-2018



2018-2019



2019-2020



Zone	2015-16	2016-17	2017-18	2018-19	2019-20	Total	%
RU5 Village	6	4	5	0	6	21	60%
RU4 Primary Production Small Lots	0	2	2	3	1	8	23%
RU1 Primary Production	0	1	0	5	0	6	17%
Total	6	7	7	8	7	35	100%

Table 1: Residential Housing Approvals by Zone

RESIDENTIAL LAND SUPPLY

An analysis of residential land supply has been undertaken of all undeveloped vacant residential (village) zoned land to determine how much additional residential zoned land is available for development.

For the purposes of this assessment, a lot is considered to be 'vacant' where it does not contain a dwelling as at 1 July 2021, does not have a valid planning approval for a dwelling or has not been sold where part of a new greenfield residential subdivision.

Table 2 provides an analysis of the current supply of residential zoned land available within the township of Hay and surrounds based on current take-up rates.

A map showing this residual land supply is also provided below.

Based on this analysis, Hay has an approximate 44-year supply of village zoned residential land based on an average take-up rate of 4.2 dwellings per annum as outlined in the Table below.

Notwithstanding the fact that a 550m² minimum lot size currently applies to this land, existing land supply has been calculated using an average lot size of 1,000m², which is reflective of the current development pattern of the area. Should development occur at a higher density, then this level of land supply will increase.

As outlined within Section 2.3 above, there is also demand for approximately 3 dwellings per annum in the outlying RU4 Primary Production Small Lots Zone and RU1 Primary Production Zone. An assessment of dwelling demand and supply in these areas have not been included in the residential land supply as the primary focus of these areas is for agriculture.

When considering future population and dwelling projections and using an average take-up rate of 7 dwellings per annum, the level of total residential land supply is reduced from 44 years to 26 years also outlined in the Table below.

Whilst it acknowledged that this still represents a large level of residential land supply, a number of the existing zoned parcels of land are constrained, which would limit their development potential. For example, the former railway land (3ha) zoned RU5 is contaminated and owned by Transport for NSW and therefore is not available for development.

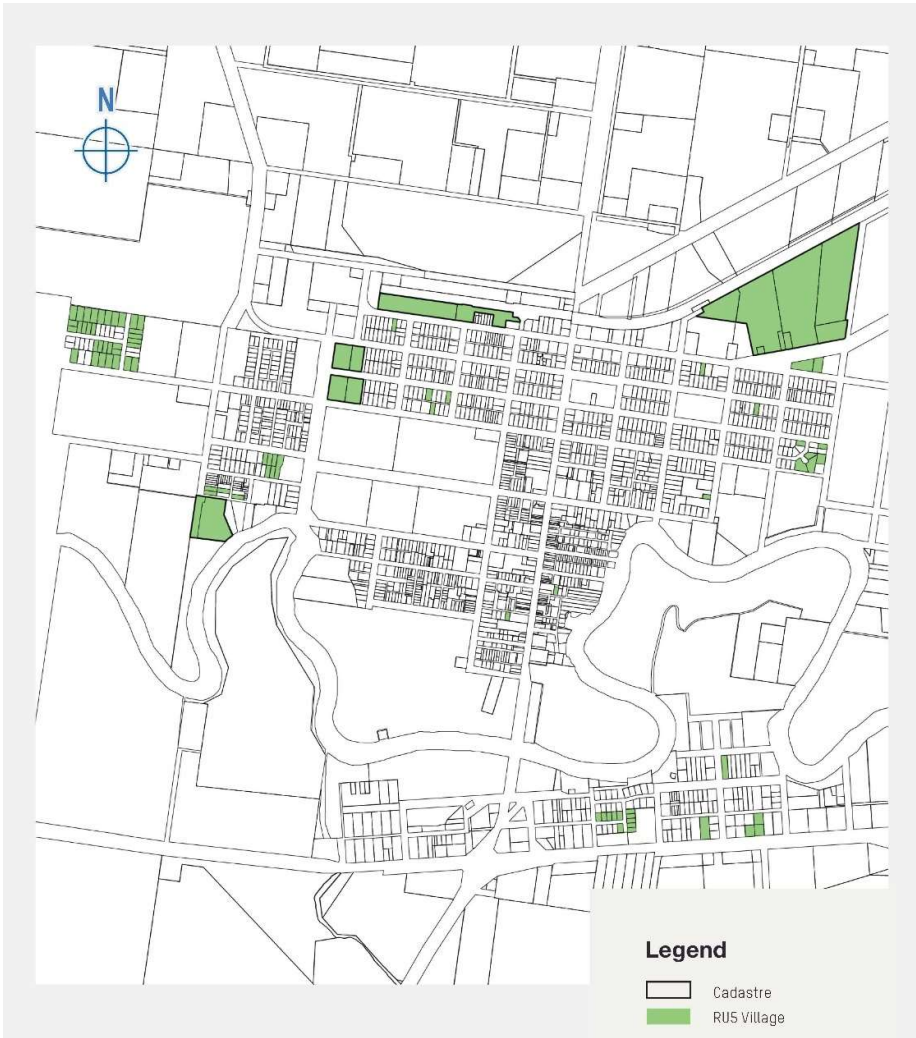


Table 2: Residential Land Supply Summary (current)

	Land Supply (ha)	Land Supply (lots)*	Demand (new homes p.a.)	Years Supply
RU5 Village (1,000m2)	23	184	4.2	44
Total	23	184	4.2	44

***Note:** the land supply calculation has been calculated assuming 20% of the total development site area is required for roads, drainage and open space. At present in Hay, this number is 40% of the total area.

Table 3: Residential Land Supply Summary (projected)

	Land Supply (ha)	Land Supply (lots)*	Demand (new homes p.a.)	Years Supply
RU5 Village (1,000m2)	23	184	7	26
Total	23	184	7	26

***Note:** the land supply calculation has been calculated assuming 20% of the total development site area is required for roads, drainage and open space. At present in Hay, this number is 40% of the total area.

POPULATION AND DWELLING PROJECTIONS

To plan for the future growth in Hay, three possible growth scenarios have been considered:

1. Low Growth Scenario
2. Moderate Growth Scenario
3. High Growth Scenario

The infographic below summarises the three different growth scenarios. For the purposes of the Hay Structure Plan, a high growth scenario has been adopted, and this is the position in the Housing Strategy as well.

This scenario has been used due to the predicted in migration from retired farmers and the elderly from outlying rural areas and small villages due to the wider range of services and housing types available to this age group.

In addition, Council is also currently in discussions with several medium and large employers looking to establish within the township, which will cater for up to 100 workers plus their families.

Hay Shire has also been identified within the NSW Government's South West Renewable Energy Zone (REZ). Although only in the early stages, the REZ will unlock a significant pipeline of large-scale renewable energy and storage projects around Hay creating new local opportunities including jobs and population growth.

This predicted growth has been supported by enquiries for 3 to 4 large scale wind farms, which will each provide 10-15 jobs during operation and many more during construction.

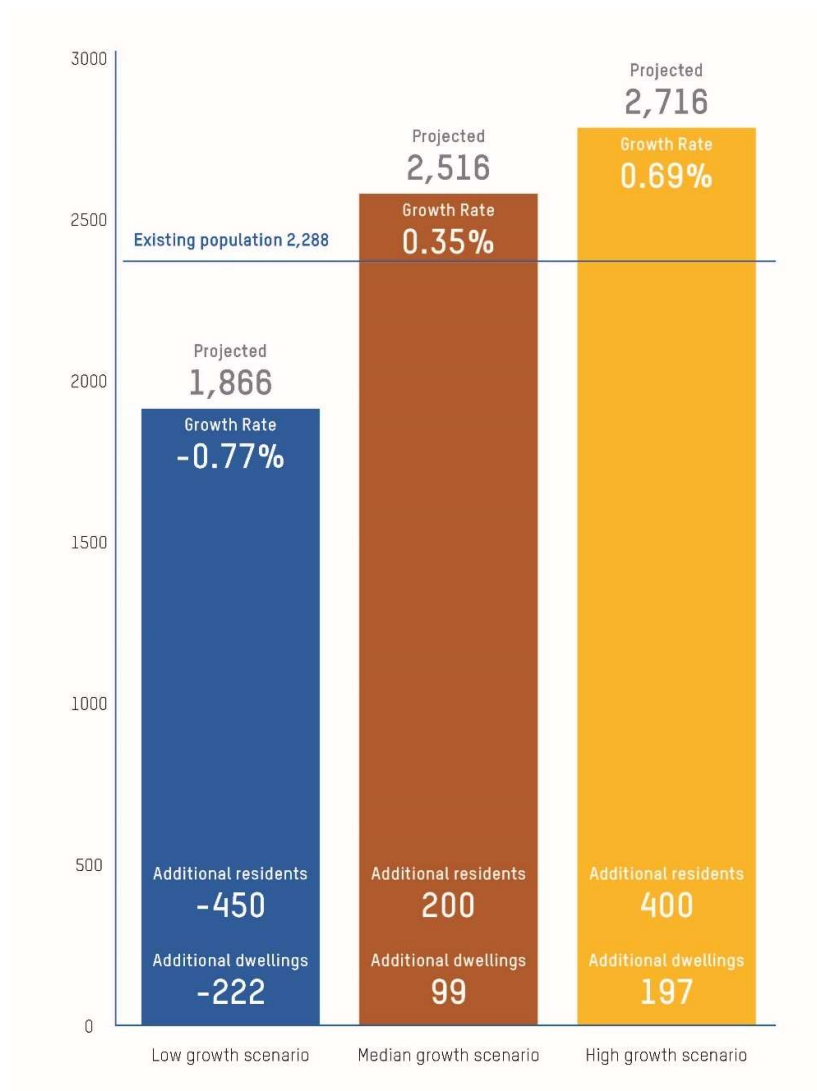
Anecdotal evidence has also suggested that there may be in migration to rural areas post COVID, which has already begun in the township of Hay.

Under this high growth scenario, the population of the Hay township will grow by 400 persons by 2041 at an average growth rate of 0.69%.

To service this projected population growth, on average 7.88 (8) new dwellings will need to be constructed per annum based on a projected household size of 2.03 persons per household.

This figure is in addition to the approximate 2 dwellings that Council approves each year for demolition and replacement ('knock down rebuild').

In total, this equates for a need for **10 new dwellings per annum**, of these, there will be a demand for **7 new dwellings per annum in the residential zones**.



Statistics from Council’s planning department shows that that is a deficit in housing stock each year, losing on average five houses a year. A lack on investment in the housing in Hay could be a result of a number of factors, including:

- Lack of capital gains for investment, however, investors can achieve higher rental returns.
- Loss of higher income families in the community as a consequence of the declining population.
- Property owners not wanting to rent therefore subsequently not investing.
- Insufficient supply of building and trades people, with some Builders reporting forward workloads of 18+ months, restricting the development of housing stock.

A survey of current housing stock (November 2022) showed:

- 53 unoccupied houses
- 9 vacant lots
- 2 unoccupied government houses (number of unoccupied units not quantified)
- 25 registered Air BNB’s – with an increased use as short-term (three months) rentals to fill a void in the market

The challenge will likely be in ensuring that there is a sufficient supply of smaller, well-located dwellings to meet projected need, noting that there was a fairly static proportion of flats and units. This is also important, as strata dwellings are far more likely to enter the private rental market than separate houses, and to increase the supply of much needed private rental properties for lower income workers and pensioners.

1.5 Need for Affordable Housing

The biggest housing affordability issue facing Hay is the large and increasing number of very low-income renting household in housing stress, and the general inability of the housing market to provide for such households. Around 45% of those in 'housing stress' are very low-income renters. When low-income renters are added, these groups make up two-thirds of those in housing stress in the LGA. These groups include household dependent upon pensions and benefits as well as the large pool of local workers in low and very low paid jobs.

It is likely that, by 2036, there will be at least 93 households in need of affordable housing in the LGA, 70% in rental stress and 30% in home purchase stress, with a likely need for 60% smaller dwellings suited to singles and couples, and 40% suited to families. On current trends, 50% of affordable dwellings would need to be for very low-income households, 30% for low-income householders, and 20% for moderate income householders. This is the basis of affordable housing targets, outlined later in the strategy.

As at January 2023, public housing wait list show 27 people/families requiring housing with five being high priority; with one rental property available and two houses for sale. Wait times for public housing average between 2 to 5 years, however given the lack of housing stock these times can be unreliable.

1.6 Housing Affordability

Hay 2021 census data shows that:

Hay's Gross Regional product was \$0.19 billion to year end 2021 and increase of 9.5% compared to 2020.

For the Workforce-

- 36% of workforce are over 55 years of age, reflecting an aging population and impact on ownership of current housing stock
- 44% of workforce have no qualification
- 11% of workforce worked from home (COVID)
- 20% of workforce are at management level (reflects agricultural base)
- 14% work in a trade
- 16% labourers
- 40% of workforce are engaged in Agriculture (152 businesses)
- 14% of workforce engaged in Construction (54 businesses)

Manufacturing (engineering services) reported the largest increase in employment from 2.9% of workforce to 5.9% of workforce (up 39 jobs).

Education and training increased by 18 jobs.

Health Care and Social Assistance increased by 24.

For Households -

62% of all households in Hay are classified as very low to low income earners.

Households report spending 6% of income on housing compared to 22% for the rest of the state. This reflects the high level of rural home ownership (properties) which is reflected in other LGA's with a similar demographic profile. It indicates a tightly held housing market.

Food spend 11% compared to 9.6% for NSW.

Health spend 7.9% compared to 6.4%.

The impending likely changes in the workforce and income as a result of the investment in renewable energy projects in the Hay LGA and surrounding region will put additional pressure on housing in Hay.

Subsequently, it is important to understand the extent to which the market has the potential to deliver affordable housing to relevant target groups. This helps in identifying the most effective strategies, including how much intervention is needed through the planning system.

- Very low-income households are effectively excluded from both the private purchase and private rental in Hay LGA, although some would benefit from an increased supply of smaller dwellings in terms of reduced 'cost' if not affordability.
- Moderate income households can generally be housed affordably through the private rental and purchase market in the LGA, although some households in the lower end of the income band may have difficulty renting or purchasing a separate house.
- New Generation Boarding Houses under SEPP Affordable Rental Housing 2009 would be affordable to very low-income singles and couples who are working. However, none have to date been developed locally under the SEPP despite the good rate of return on new forms of this accommodation, and consultation indicated that there is limited knowledge of the potential of such accommodation to meet local housing need. The stock of such accommodation is currently made up of one older boarding house.
- Site rental within a caravan park or more affordable manufactured housing estate (MHE) would be affordable to low-income households, provided they owned their own manufactured home or van or had substantial capital toward the purchase of this type of dwellings. It is also likely that a smaller one- or two-bedroom mobile home on a rented site would be affordable to some income households, and that a larger home could be affordable to some low-income families. However, most permanent or long-term sites are not provided within existing caravan parks, which has left a significant gap in the market.
- The shift of family owned to corporate ownership of farmland has seen a reduction in the use of farmhouses. An opportunity may exist to utilise these dwellings for housing stock for the community.

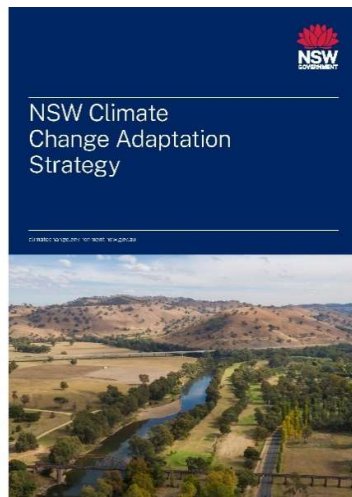
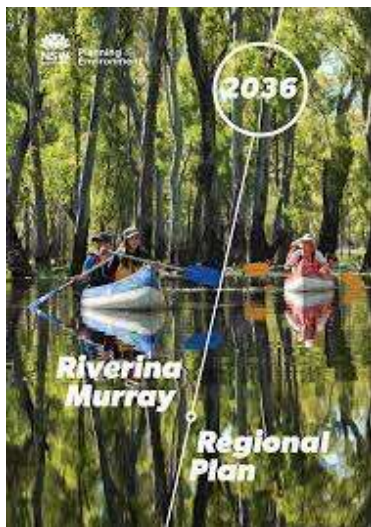
These findings show that only minor intervention is likely to be required through the planning system, as well as the direct creation of affordable rental housing through partnership on public land, to create affordable housing for the groups in most need in Hay LGA.

1.7 Council's role and statutory responsibilities in relation to affordable housing

1.7.1 Policy Background

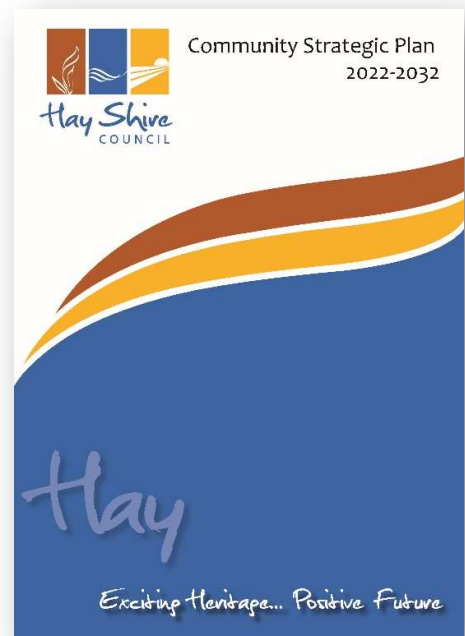
There are a number of policies on state and local level relating to the housing provision, including the following:

- Housing 2041: NSW Housing Strategy
- NSW Climate Change Adaptation Strategy
- NSW Government Riverina Murray Regional Plan



Hay Shire policies and frameworks that applies includes:

- Hay Community Strategic Plan – Setting the priorities for the Hay community.
- Hay Shire Council Open Spaces Strategy – A framework for guiding the development of open spaces in the Hay LGA, classifying all open spaces, giving future direction and standards for all individual open spaces, and prioritising spaces for future development.
- Hay Bike Plan – A plan that identifies bike riding and accessibility as a priority for the Hay Shire and provide future direction for the development of bike paths and other related infrastructure.
- Hay Inclusion Action Plan – Providing guidance on inclusivity in facilities, movement networks and operations.
- Hay Shire Murrumbidgee River Master Plan – Guiding the development of the river frontage along the Murrumbidgee, in the urban areas of Hay.



- Hay Local Strategic Planning Statement – Providing zoning and spatial guidelines for the future development of Hay.
- Hay Structure Plan – Giving detailed direction to the Local Strategic Planning Statement.
- Hay Shire Council Integrated Water Cycle Management Strategy Supplementary Paper – Giving guidance on future development.



1.7.2 Legislative Background

There is a myriad of legislation that applies to the provision of housing delivery, but the three major pieces of legislation are:

Housing Act 2001 No 52

The objects of the Housing Act are as follows:

- (a) to maximise the opportunities for all people in New South Wales to have access to secure, appropriate and affordable housing,*
- (b) to ensure that housing opportunities and assistance are available to all sections of the community with housing needs,*
- (c) to ensure that public housing is developed as a viable and diversified form of housing choice,*
- (d) to ensure that public housing and community housing reflects the housing standards of the general community and is designed to cater for the ongoing needs of consumers,*
- (e) to maximise the opportunities for tenants of public and community housing programs to participate in the management of their housing and in the development of public and community housing policies,*
- (f) to ensure that the public housing system focuses on housing people who are most in need,*
- (f1) to ensure that the available supply of public housing is shared equitably among people who are most in need,*
- (g) to promote equity between levels of assistance provided to people living in public housing, community housing, private rental housing and those who own or are purchasing their homes,*
- (h) to maintain an efficient housing administration to ensure the effective co-ordination and provision of all housing services,*
- (i) to encourage social mix and the integration of different housing forms in existing and new communities,*
- (j) to ensure that registered community housing is developed as a viable and diversified component of the New South Wales social housing sector,*
- (k) to support the provision of registered community housing for people on a very low, low or moderate income,*

- (l) to facilitate the provision of assistance to home purchasers on low to moderate incomes,*
- (m) to provide for the management of such existing and future home purchase assistance schemes (including the portfolio of loans under HomeFund schemes) as the Minister directs,*
- (n) to provide for the funding of such other rental and home purchase assistance schemes as the Minister directs,*
- (o) to encourage the development of flexible and innovative financial arrangements to facilitate access to home ownership for persons in receipt of low and moderate incomes,*
- (p) to ensure appropriate mechanisms and forums are established to allow input into housing policy by representative community organisations and non-government agencies involved in housing policy and provision,*
- (q) to attract investment in public housing, including related activities such as tenant employment and the provision of integrated services,*
- (r) to enable the provision under this Act of corporate, technical and information technology services, in or outside New South Wales, to government and non-government agencies.*

The key points regarding the Housing Act for the Hay Housing Strategy are:

- That housing must be affordable.
- Housing choice must be diversified.
- There must be integration between housing types.

It should also be noted that the responsibilities of the Housing Act lie with the Minister for Homes and with the Minister for Families and Communities, not with local government.

[Environmental Planning and Assessment Act 1979 No 203](#)

The Environmental Planning and Assessment Act 1979 No 203 is the main piece of legislation that Council uses for land use planning.

The objects of the Act are:

- (a) to promote the social and economic welfare of the community and a better environment by the proper management, development and conservation of the State's natural and other resources,*
- (b) to facilitate ecologically sustainable development by integrating relevant economic, environmental and social considerations in decision-making about environmental planning and assessment,*
- (c) to promote the orderly and economic use and development of land,*
- (d) to promote the delivery and maintenance of affordable housing,*
- (e) to protect the environment, including the conservation of threatened and other species of native animals and plants, ecological communities and their habitats,*
- (f) to promote the sustainable management of built and cultural heritage (including Aboriginal cultural heritage),*
- (g) to promote good design and amenity of the built environment,*
- (h) to promote the proper construction and maintenance of buildings, including the protection of the health and safety of their occupants,*

(i) to promote the sharing of the responsibility for environmental planning and assessment between the different levels of government in the State,

(j) to provide increased opportunity for community participation in environmental planning and assessment.

As Council administers large part of the Act, Council should promote the delivery and maintenance of affordable housing.

State Environmental Planning Policy (Housing) 2021 (Housing SEPP)

The Housing SEPP gives incentives to supply affordable and diverse housing in the right places and for every stage of life.

The Housing SEPP has made the planning system simpler by consolidating five former housing-related policies:

- State Environmental Planning Policy (Affordable Rental Housing) 2009 (ARHSEPP)
- State Environmental Planning Policy (Housing for Seniors and People with a Disability) 2004 (Seniors SEPP)
- State Environmental Planning Policy No 70 – Affordable Housing (Revised Schemes) (SEPP 70)
- State Environmental Planning Policy No 21 – Caravan Parks
- State Environmental Planning Policy No 36 – Manufactured Home Estates.

Introducing two new housing types to meet changing needs:

- Co-living housing
- Independent living units.

Improving the way existing types of homes are delivered including:

- Boarding houses
- Build-to-rent housing
- Seniors housing.

Including the planning rules for:

- Caravan parks and manufactured home estates
- Group homes
- Retention of existing affordable rental housing
- Secondary dwellings (sometimes known as granny flats)
- Social and affordable housing
- Short term rental accommodation (sometimes known as STRA).

The creation of affordable housing for very low-, low- and moderate-income households through the planning system becomes more important in the context described above. The inability of the market to provide for

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very low-income renters, most low-income renters, and many low-income purchasers is noted, and is a particular focus of this Strategy.

There are opportunities for local government to support the creation and maintenance of affordable housing through core planning legislation and policies in NSW. Local government has a role in affordable housing as the statutory body responsible for land use zoning, controls, the timing of land release, location of services and facilities, and the levying of rates and development contributions.

Local government can also choose to play a more proactive role in the creation and retention of affordable housing through active intervention in the market via the development of appropriate planning mechanisms and strategies.

In NSW, a range of related provisions have been progressively included in the Environmental Planning and Assessment Act 1979, including section 1.3(d), which provides that an objective of the Act is the 'maintenance and provision of affordable housing'. There are, likewise, definitions and benchmarks related to 'affordable housing' in core legislation and related policies which have been adopted in this Strategy.

It is also a requirement of the Act that a consent authority take into account the social and economic impacts of a development application as part of a merits assessment under section 4.15(1)(b). This is relevant to development applications that may result in the loss of affordable or low-cost housing, as well as the assessment of community benefits involving the creation of affordable housing.

Section 7.4 of the Act provides for the making of a voluntary planning agreement in relation to a proposed amendment to a planning instrument or development application. Under such a planning agreement, a developer is required to dedicate land free of cost, pay a monetary contribution, or provide any other material public benefit, or any combination of them, to be used for or applied towards a public purpose. 'Affordable housing' as defined in the Act is one of the listed 'public purposes'.

As such, local government has a role to seek to preserve and create affordable housing through the planning and assessment process. Typically, the developer of vacant land in the Hay LGA has been the Council.

2. Strategies and Mechanisms to Deliver Affordable Housing

2.1 Overview of Mechanisms and Strategies

There are a wide range of potential strategies available to Hay Shire Council to increase affordable housing in the LGA, as shown in Table 2 below. These strategies range from 'light' planning intervention in the market (Column 1 in the table), and facilitative intervention through the planning system (column2), to 'strong' intervention) Column 3), or 'direct provision' of affordable housing (Column 4).

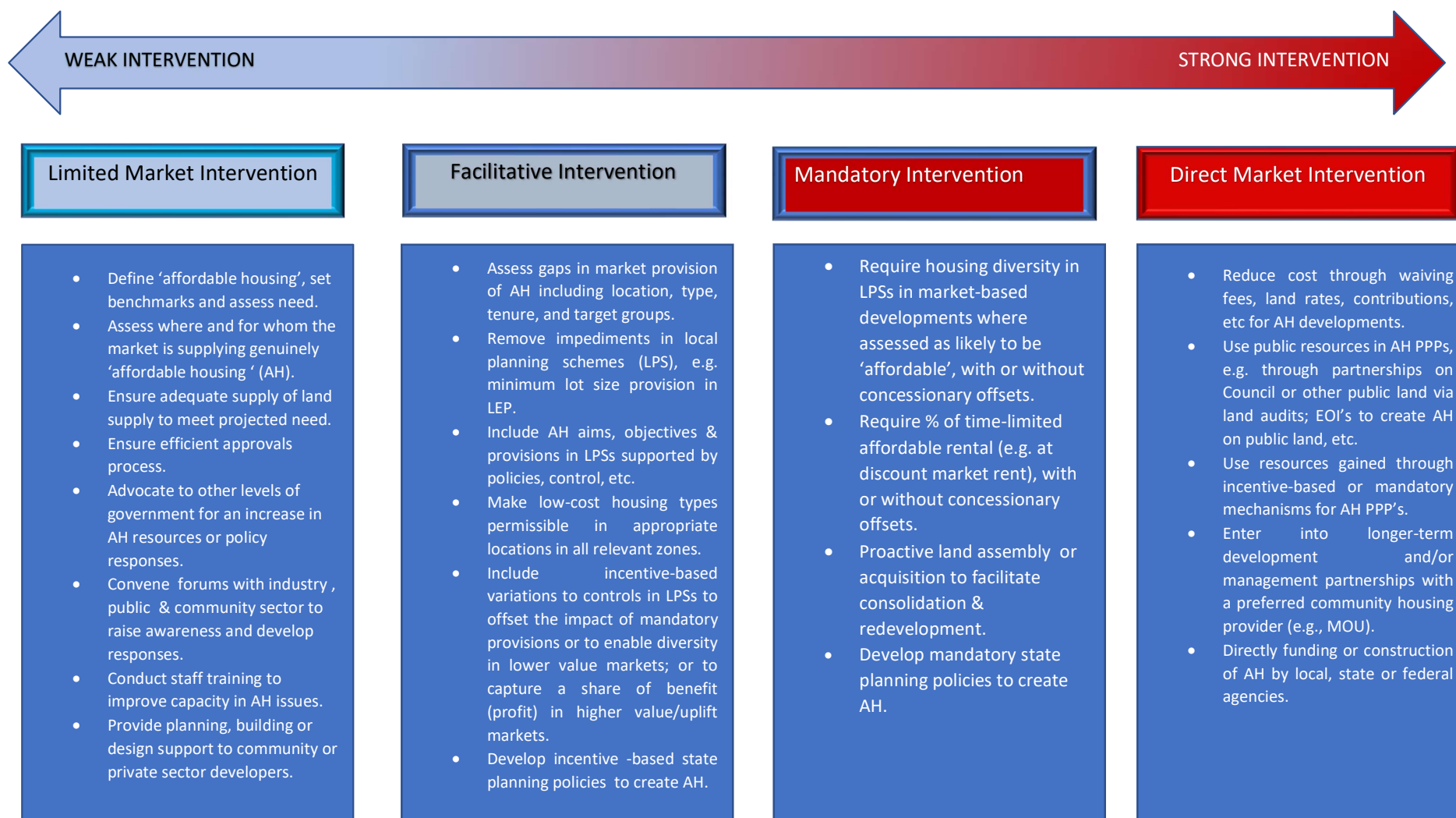


Table 2: Mechanisms and Strategies to Create Affordable Housing along a Continuum of Planning Intervention

2.2 Summary of Strategies and Mechanisms

Based on the evidence, there are two main strategies that are likely to be most effective in increasing the supply of affordable housing in the local context:

1. Actively seeking to facilitate an increased supply of lower cost and affordable housing types (one- and two-bedroom strata dwellings) through the market. This mainly involves ensuring that there are no unnecessary impediments in local planning instruments to the creation of such dwellings, and requires some fundamental change to existing planning controls, such as removal of minimum lot size in urban areas.
2. The direct creation of affordable housing for very low- and low-income renters, and for some low-income purchasers, through partnership on land owned by Council and other public authorities. This includes as part of well-located multi-tenure developments, affordable seniors housing, selective redevelopment of older public housing stock to better meet project need. The preferred partner would be a registered Community Housing Provider (Argyle Housing) with a strong track-record in development and management of affordable housing and a local presence, as this is likely to increase yield and decrease risk for Council.

Other strategies are also likely to have some effect on increasing access to affordable and lower cost housing. These include:

3. Seeking to facilitate market delivery of lower cost and affordable housing types such as long-term accommodation in Manufactured Housing Estates (MHE) and New Generation Boarding Houses through promotion of opportunities for this form of development, production of guidelines and education materials, demonstration projects and identification of potential sites;
4. Advocating to State Government for an increase in social housing and Specialist Housing Services funding in recognition of below average provision of such accommodation and growing need;
5. Seeking to engage large local employers in a demonstration project to increase medium to long term rental accommodation (e.g. through participating in good quality, affordable MHE and/or New Generation Boarding House Projects);
6. Work with State & Federal Government to provide tax incentives in housing stock for social outcomes.
7. Survey of existing property owners as to why they have not invested or sold in Hay LGA.
8. Investigate and advocate why houses, including Air BNBs, are not rented or at least not provided as short-term rentals. Review of financial benefit of short-term rental (Air BNB's) versus long term rentals.

Other mandatory mechanisms related to value capture, including mandatory affordable housing contributions or inclusionary zoning approaches under the recently amended SEPP 70 (Affordable Housing) are unlikely to be economically feasible in the local housing market context, despite a likely ability to create an impost upon development in the local context due to relatively low land value.

Other incentive-based mechanisms that also rely on significant land value uplift are also unlikely to be feasible in the local context due to low land values and relatively low rates of value uplift from up/rezoning.

The strategies and mechanisms most likely to be effective in the local context are outlined more fully below, with a brief rationale for each.

2.3 Detailed Strategies and Mechanisms

2.3.1 Adopt the Housing Strategy

Rationale

It is important that Council is clear regarding the definition and responsibilities for 'affordable housing' so that it ensures that what is created meets the statutory definition, and so that it can properly evaluate applications or proposals that come before it.

It is also important that Council has mechanisms for monitoring the progress of the Strategy, including Key Performance Indicators and indicative targets based on local housing need.

Strategies

Strategy 1

For the purpose of this Strategy, Council adopts the definitions and benchmarks for 'affordable housing' as set out in Section 1.1 and the following table.

Table 3: Relevant Affordable Housing Income and Cost Benchmarks

	Very low-income household	Low-income household	Moderate-income household
Income Benchmark	<50% of Gross Median H/H income for Rest of NSW	50-80% of Gross Median H/H income for Rest of NSW	80%-120% of Gross Median H/H Income for Rest of NSW
Income Range	<\$806	\$1,288	\$1,933
Affordable Rental Benchmarks	\$242 per week	\$258-\$386	\$387-\$580
Affordable Purchase Benchmarks	\$107,000	\$295,000	\$522,000

Source: JSA 2019, based on data from ABS 92016) Census indexed to December Quarter 2018 dollars.

Strategy 2

For the purpose of this Strategy, Council adopts indicative target of 93 (average of 7 dwellings per annum) additional affordable housing dwellings by 2036, distributed as follows.

Table 4: Indicative Targets for Affordable Housing (AH) to 2036

		Renting Households		Purchasing Households	
		Suitable for Lone Persons or Couples without Children	Suitable for Families	Suitable for Lone Persons or Couples without Children	Suitable for Families
Total AH Dwellings Required by 2036	Affordable to Very Low-Income Households	32	14	2	2
	Affordable to Low Income Households	7	10	4	6
	Affordable to Moderate Income Households	2	3	3	8

Strategy 3

For the purpose monitoring the progress of this Strategy, Council adopts the following Key Performance Indicators:

- Number of affordable rental dwellings for very low- and low-income households created as a result of partnership between Council and community housing providers and/or the private sector. Data can be collected by Council.
- Net change (loss/gain) in Social (Public and Community) Housing. Data can be obtained from FACS – Housing NSW and local community housing providers;
- Number of affordable rental dwelling for very low- and low-income households created through other agencies or mechanisms, including FACS – Housing NSW and Community Housing Providers. Data can be collected by Council.
- Number of affordable housing dwellings for very low- and low-income renters and low-income purchases provided through the market. Data can be obtained from FACS – Housing NSW Rent and Sales Reports;
- Increase in supply of lower cost housing types/products created through the market. Data can be obtained from FACS – Housing NSW Rent and Sales Report;

- Reduction in local homelessness, including appropriate accommodation of people living temporarily with other, or living in inappropriate, unsafe or severely over- crowded accommodation. Data can be provided by agencies such as Specialist Housing Services;
- Reduction in proportion of very low- and low-income households in housing stress. Data can be obtained from the Census every five years.
- Retention of diverse income, age and employment groups in the LGA. Data can be obtained from the Census every five years.

2.4 Facilitative Strategies and Mechanisms

Segregation vs Integration of Housing Types

Segregation of affordable and social housing has a long history worldwide, and in Australia ranged from the demolition of nineteenth century cottages and replacement with High-rise flats, to vast Housing Commission estates. Segregation has a variety of issues, but mainly leading to socioeconomic inequality. In reaction to this there has been several movements, more notably the US based Hope VI program and the New Urbanism movement.

Principles of integration of housing types in Hay would be:

- Development of a variety of housing types to meet different household lifestyles. This can potentially bring people of diverse ages, backgrounds and incomes into daily interaction, which will strengthen the personal and civic bond essential to an authentic community.
- Development of a variety of price levels.
- Infill development is the preferred development type, to not relegate social housing to outskirts, and where the vehicular household is not a prerequisite.
- Promote mixed use developments that support the functions of daily life: employment, recreation, retail, and civic and educational institutions.
- Developments need to be compact, pedestrian-friendly, and mixed use with many activities within walking distance. Open spaces need to be well developed and connected, with good public observation. Open Spaces should not be SLOAP (Space Left Over After Planning)
- The local architectural character needs to be taken in consideration, and the development done in such a fashion as not to have major architectural variations between different price points of dwellings.

2.4.1 Removing Planning Impediments for Residential Flat Buildings and Multi Dwelling Housing in Well-Located Infill Areas.

Rationale

There are opportunities for the market to deliver affordable housing to some groups, generally in the form of one- and two-bedroom strata dwellings, albeit mainly for smaller households. An increase in this type of housing in well-located areas will also provide much-needed housing diversity and help to address the current and projected housing supply-demand mismatch.

One- and two-bedroom Residential flat building have historically provided a lower cost if not always 'affordable' form of accommodation, but the supply of this form of housing has been significantly constrained since the introduction of the Hay LEP 2011. The main provision in the LEP that have generally rendered such developments non-viable, and also appear to be constraining multi dwelling housing like villas and townhouses. These are:

- Minimum lot size of 550sqm for urban areas.

The current review of Council's LEP provides an important opportunity to amend relevant controls to facilitate diverse, affordable and/or lower cost housing in the Hay town. It is anticipated the removal of the minimum lot size could generate up to 250 dwellings.

Strategies

Strategy 4

Council to amend Hay Shire Council LEP and develop a Development Control Plan (DCP) that seeks to facilitate the development of diverse, affordable and/or lower cost housing, in particular:

- a. Amend Council's LEP to remove minimum lot size provision for urban areas and expansion of single residential land, as well as residential subdivision at the Hay Aerodrome; and
- b. Implementation of a Development Control Plan (DCP) to allow inclusion of relevant objectives:
 - i. Provide for a diversity of housing opportunities and residential lifestyle choices;
 - ii. Optimise residential development opportunities which fulfil the housing supply needs generated by the growth Hay economic development of Hay.
 - iii. Strategically implement the Hay Housing Strategy.

2.4.2 Facilitating Increased Development of 'New Generation' Boarding Houses

Rationale

'New Generation' Boarding Houses under SEPP (Affordable Rental Housing) 2009 can provide affordable accommodation to diverse very low- and low-income households and fill an important gap for a range of very low- or low-income retirees, workers and other singles and couples. The option to develop New Generation Boarding Houses under SEPP(ARH) is readily available in urban area within Hay LGA, however, there appears to have been very limited take up by developers or Community Housing providers to date.

Strategies

Strategy 5

Council will actively promote and support the development of high quality, 'New Generation' Boarding Houses in locations within Hay, including through educational workshops with developers and the community, publication of guidelines, production of promotional material, a favourable consideration of compliant applications.

Strategy 6

Council will develop controls in the Development Control Plan (DCP) consistent with State Government Policy and Legislation to support the development of good design and, management of the 'New Generation' Boarding Houses taking into account local needs and the housing market context.

2.4.3 Opening up Development Opportunities for CVP's and MHE's Houses

Rationale

Caravan parks have historically have not been an important source of affordable accommodation in Hay LGA with the exception of seasonal workforce.

On-site vans and manufactured homes that can be rented with the site, and sites which are rented when residents place their own home, have the potential to be affordable to all low-income households and some very low-income households. However, there are virtually no permanent or long-term sites remaining in privately owned and operated facilities in the LGA. Through conversion to tourist and short-term uses, and there is reported to be a high demand for such accommodation. While there is a reported need, the parks are focussed on tourism and short-term rental market.

Although short-term site (3months or less) may benefit short-term casual workers or more transient people, they will not meet the accommodation needs of lower income working families and workers who are seeking more stable rental accommodation.

There is a need to encourage the development of additional long-term sites within existing facilities, as well as the development of additional privately operated and lower cost manufactured housing estates as a relatively efficient way of providing accommodation for lower income families and workers. There are also opportunities to develop more affordable manufactured housing estates that are owned/managed by Council and/or a registered community housing provider on publicly owned land with favourable rates of return as an example of best practice in this area.

Strategy 7

- a. Council will develop guidelines to encourage a higher proportion of permanent sites within caravan parks and MHEs that are principally tourist -orient developments, and provide for a higher proportion of such sites in licensing arrangements;
- b. Council will identify potential sites for additional private caravan parks and manufactured housing estates and seek to develop private sector investments through relevant planning incentives.

2.4.4 Selective Redevelopment of Older Public Housing Properties

Rationale

There are opportunities to selectively redevelop older, under-occupied social housing in Hay which should also be explored with State Government. The replacement of older, under-occupied separate houses with new mixed tenure developments including strata dwelling can better meet the need for smaller social housing dwellings, and also provide affordable rental and purchase housing for a low-income worker, whilst retaining a reasonable component of houses suitable for families.

This is in line with current State Government policy directions to improve the quality of life and standard of housing in areas with large concentrations of public housing, and with Government priorities to increase the capacity and economic viability of community housing providers through the transfer of public housing on

long-term leases. This enables providers to borrow against the asset to enable redevelopment, which is occurring in other parts of the State. To date, no such scheme has been announced for Hay.

Strategies

Strategy 8

- a. Council will explore opportunities with State Government and local Community Housing providers for the redevelopment of older concentration of social housing in Hay including for smaller, more diverse housing types and multi-tenure development including social, affordable and private market housing to meet changing needs.
- b. Council will advocate to State Government on behalf of local Community Housing Providers (CHPs) for a transfer of title and/or long-term (at least a 20-year lease) on existing public housing in Hay to facilitate the redevelopment of selected stock through increased economic return for CHPs.

2.5 Direct Creation of Affordable Housing

Direct Creation of affordable Housing

The direct creation of affordable housing on Council and other publicly owned land is likely to be the most effective strategy for creating affordable housing for very low and many low-income renting households. As noted, such households are largely excluded from the private market, and often in severe housing stress and at risk of homelessness.

This land can be developed under a variety of contractual arrangements, for example, by Council directly developing the land and contracting in the skills required, or in partnership with a community housing provider (CHP) and/or private sector developer. Management would normally be undertaken by a CHP with expertise in this area. Financially, the arrangement can be structured in a number of ways, depending on Council's preference. Likewise, risk can be shared in a manner appropriate to the needs and preferences of partnering agencies.

Strategies

Strategy 9

- a. Council will endeavour to explore sites for the purpose of affordable housing partnerships – suitable sites should include the following characteristics:
 - Well located with regard to transport and /or services;
 - Maximise the yield of social and affordable housing;
 - Are multi-tenure developments; and
 - Are able to achieve favourable economics (at least break even in the first year).

Strategy 10

- a. Council will investigate the development of an affordable caravan park/manufactured housing estate in partnership with a registered community housing provider and/or private sector development on vacant Crown land, including that:

- i. The development is mixed tenure, and allows for the rental of sites with owner occupied homes (owner-renters), as well as the rental of both manufactured homes and sites (renter-renters);
 - ii. Rents of sites and sites with homes are affordable to a mixture of very low- and low-income households.
- b. Following review of the operations of a first facility, Council will investigate the development of a further affordable caravan park/ manufactured housing estate in partnership with a registered community housing provider and/or private sector development on vacant Council or other public land as appropriate.
- c. Council will advocate for affordable workers dwelling through partnerships with the private sector and large employers in Hay and the surrounding town/villages.

2.5.1 Shared Equity Arrangements

Rationale

One way that low-income purchases requiring a larger home, especially those at the lower end of the band, and very low-income household without a substantial asset, can enter the home purchase market is through some form of shared equity arrangement.

Typically, a purchaser will enter a shared equity arrangement within community housing provider where they can own 25-75% of the equity in the home on the basis that they will sell the home back to the provider if they wish to exit the arrangement, as well as pre-agreed share of the capital gain. Under some schemes, they can increase their share of equity over time.

This ensures that the home stays as affordable purchase in perpetuity, and that the first purchaser does not obtain a windfall profit from the sale of a home where there has been a public subsidy (as is often the case in more standard subsidised home purchase arrangements). Partnering with a community housing provider rather than a bank or private sector developer tends to keep costs lower for the purchaser, although the latter could be involved in a 3 or 4 way partnership.

This type of relationship is not generally as well-developed in NSW as it is in some other Australian and international jurisdictions, and there are no government supported schemes in NSW. However, it is likely to work well in the local context, and a scheme similar to ones that operate in other jurisdictions could be developed by a Community Housing Provider such Argyle Housing, potentially in partnership with a financial institution, and/or on Council-owned land.

Strategies

Strategy 11

Council to investigate the development of a locally appropriate shared equity purchase model to facilitate the purchase of housing by low-income households, in conjunction with a registered community housing provider.

2.5.2 Advocacy

Rationale

There has been a loss of social housing in both proportion and absolute terms over the past 10 years, with social housing falling from 5.5% of all dwellings to 4.4% from 2006 to 2016, which was lower than the NSW average in 2016 (5%). Waiting times for social housing in the LGA are in excess of 10 years for smaller

dwellings, and rates of severe housing stress among very low-income renters indicate a high level of unmet need for social housing in the LGA.

Strategies

Strategy 12

- a. Investigate and advocate for temporary affordable housing opportunities on NSW Government and Hay Local Aboriginal Land Council land that is awaiting future development.
- b. Advocate for an increase in funding and support arrangements for social housing to meet the needs of very low income and special needs groups in the LGA.

2.6 Additional Strategies as Recommended by Hay Shire Council

Rationale

In the process of development, the Hay Housing Strategy 2022 Hay Shire has determined further initiatives that can be undertaken to promote the further development of affordable housing.

Strategies

Strategy 13

Work with the State and Federal Government to provide tax incentives for property owners to invest in houses for social outcomes. This could be a cash incentive or low cost loans for owners to renovate the property to be leased to low income people/families or sold to Council/Community provider for affordable housing.

Strategy 14

Council staff to survey property owners as to why they are not investing in their property. This data could then be used to advocate of programs or legislation change with higher levels of Government.

Strategy 15

Develop understanding when property owners do not lease/rent their property, or why they chose Air BNB option. Work with State Government on tenancy laws and Air BNB regulations both aim to increase housing stock on Hay.

Rationale

Build-to-rent housing is large-scale, purpose-built rental housing that is held in single ownership and professionally managed. Build-to-rent housing can provide more rental housing choice and support construction jobs to drive economic recovery.

The introduction of build-to-rent housing into the NSW planning system in February 2021 supports changes to the taxation settings for this development type that were introduced in July 2020.

The build-to-rent housing provisions were transferred to the [Housing SEPP](#) when it was made in November 2021.

The build-to-rent housing provisions:

- allow development to be used as build-to-rent housing anywhere that residential flat buildings or shop-top housing are permitted, as well as in the B3 Commercial Core, B4 Mixed Use and B8 Metropolitan Centre zones
- include minimum car parking rates and apply councils' maximum car parking rates where relevant
- apply council height and floor space ratio standards.
- prevent residential subdivision for 15 years in all zones, except the B3 zone where build-to-rent housing development can never be subdivided into separate lots.
- require active uses at street level in business zones for any part of a build-to-rent housing development that faces a road.
- support the flexible application of the Apartment Design Guide, encouraging consideration of the amenity provided by common spaces and shared facilities.
- include a state-significant development pathway for build-to-rent housing developments that have a capital investment value of more than \$50 million for the Greater Sydney region (except in the City of Sydney) and more than \$30 million for development on other land.

Current investment in this type of development is concentrated at the higher end of the housing market, with multinational Lendlease recently announcing their first Australian investment in the build to rent sector. However, there is a growing appetite in the private sector to develop build to rent units/housing targeting lower income housing. Brisbane-based developer Vita will begin construction in 2022 on two projects – with a total of 1100 apartments, in what it said would be a national portfolio of 4500 build-to-rent units targeting lower-income renters across the life-stage spectrum.

Vita has indicated that rents in its buildings would be priced to suit key workers and young professionals in sectors such as health, construction, hospitality and education, as well as residents on working visas, over 55s and some families.

While developers have said they needed greater tax concessions to be able to expand commercial build-to-rent housing into a more mass-market offering, lower overheads, a lower return hurdle target and design features such as fewer underground car parks made it possible to develop lower-return housing viably. Given the significant amount of unoccupied existing housing stock in Hay, there is potential to partner with the private sector to adapt the build to rent housing option for regional and remote housing. Utilising existing stock reduces cost of construction, development timeframes and as part of an existing community provides amenities such as pools, parks and gyms without requiring further investment.

Strategy 16

Council will investigate opportunities to adapt build for rent investment principals for the regional and remote.

Rationale

The availability of independent living accommodation for seniors is an additional factor in Hay's housing stress. In larger communities, retirement villages and similar provide dwelling in which seniors are able to

live in their community in more manageable properties. When seniors move into these independent living dwellings their homes become available for either purchase or rent, adding to the housing stock.

In Hay, the independent living properties do not exist, meaning seniors stay in their family homes much longer. Their homes then do not become available to the next generation of families in Hay.

Strategy 17

That Council works with the Federal Government, Haydays and other private entities with the aim to provide independent living opportunities for seniors in Hay.

Tiny-House Movement

Rationale

The tiny-house movement (also known as the small house movement) is an architectural and social movement that advocates for downsizing living spaces, simplifying, and essentially "living with less." The movement is characterised by very small houses, that can either be movable (on wheels or skids) or built on site. These houses can be a primary dwelling, a secondary dwelling, a movable dwelling in a manufactured home estate, or a rural dwelling. Recent Australian research (Shearer and Burton, 2021) has found five major themes: four that motivate tiny house living—economic, secure tenure, sustainable community and freedom; and one deterrent—regulatory barriers.

In the case of Hay, there are no significant regulatory barriers for in-situ tiny houses. With mobile tiny houses the picture changes. NSW Legislation provides that a tiny home is permitted in areas elsewhere than in caravan parks or camping grounds where:

- a. the installation of not more than 2 caravans, campervans or tents on any land, so long as they are not occupied for more than 2 days at a time and are not occupied for more than 60 days (in total) in any single period of 12 months, or
- b. the installation of not more than one caravan or campervan on land occupied by the owner of the caravan or campervan in connection with that owner's dwelling-house, so long as it is used for habitation only by the owner or by members of the owner's household and is maintained in a safe and healthy condition, or
- c. the installation of a caravan or campervan on pastoral or agricultural land, so long as it is merely occupied seasonally by persons employed in pastoral or agricultural operations on the land, or
- d. the installation of any moveable dwelling and associated structure on land for the purposes of accommodating a person who has been displaced because of a bush fire, but only if the moveable dwelling or associated structure is maintained in a healthy and safe condition and removed within 2 years after it is installed.



Example of an Australian Tiny House (<https://www.hauslein.com.au>)

It is clear that the legislation covering tiny houses are the same for caravans, and although it is understandable that caravans is not suitable and ideal for residential lots, there is room for legislation change to allow mobile tiny houses to a high design standard on small residential lots.

Strategy 18

That Council investigates opportunities for the inclusion of Tiny Houses in the housing mix in the Hay LGA.

Digital Nomads

Rationale

Digital nomads are people who travel freely while working remotely using technology and the internet. Such people generally have minimal material possessions and work remotely in temporary housing, hotels, cafes, public libraries, co-working spaces, or recreational vehicles, using Wi-Fi, smartphones or mobile hotspots to access the Internet.

Digital nomads will have a positive economic impact – attracting skilled people to regional areas and spending funds (earned elsewhere) in the area they live. There are benefits for employers, as a 2021 study concluded that there is a causal relationship between worker productivity and the option to "work from anywhere," as workers who were freed from geographic limitations showed an average output increase of 4.4% while controlling for other factors. Digital nomads also typically spend more than 35% of their income in the location in which they are staying, an injection of capital that has been shown to stimulate local economies in popular destinations, primarily promoting the service industry and the sale of consumer goods.

Digital nomads can have a negative impact on the economy as well, as they provide competition in an already tight rental market. This can be an issue for towns like Hay, where digital nomads can leave the more expensive city areas for rural areas like Hay.

Strategy 19

As it does provide economic opportunities, Hay can pre-empt the negative impacts by investigating Digital Nomad co-living spaces in new affordable housing developments.

Summary of Strategies Action Table

Number	Strategy	Responsibility	Council Person	Funding Required	Date for Completion
1	Benchmark 'Affordable Housing'	Council	Economic Development Officer (E.D.O)	No	30/06/2023
2	Indicative Housing Targets	Council	Director Infrastructure and Planning (D.I.P)	No	30/06/2023
3	Adopt KPI	Council	E.D.O	No	31/12/2023
4	Amend LEP and develop a DCP	Council	D.I.P	Received	30/06/2024
5	Promote Boarding Houses	Council	D.I.P	No	30/06/2024
6	DCP – Boarding Houses	Council	D.I.P	Yes	Ongoing
7	Caravan Parks and MHE	Council /Industry	General Manager (G.M)	No	Ongoing
8	Redevelop Older Social Housing	Housing Providers	G.M	No	Ongoing
9	Development of Affordable Housing	Council/H.P.	G.M	Yes	30/06/2026
10	Development of CP and MHE	Council/Industry	E.D.O	No	30/06/2026
11	Shared equity purchase Model	Council/H.P.	G.M	No	30/06/2025
12	Affordable Housing with LALC	Council/HLALC	G.M	Yes	30/06/2024
13	Tax Incentives for housing	Council/Fed Gov	E.D.O	No	30/06/2025
14	Survey Property Owners	Council	E.D.O	No	30/06/2024
15	Airbnb's	Council/State Gov	E.D.O	No	30/06/2025
16	Built to Rent	Council/Developers	E.D.O	No	30/06/2026
17	Independent Living	Council/Federal Gov/Haydays/private investors	G.M	No	30/06/2026
18	Tiny Houses	Council	D.I.P	No	30/06/2026
19	Digital Nomads	Council/Housing Providers	D.I.P	No	Ongoing