

RURAL AND REGIONAL COMMITTEE BILL

**NSW YOUTH
PARLIAMENT**





Rural and Regional Housing for Young People Act 2021 (NSW)

The Hon. Lani Holfer (Snowy Mountains)
The Hon. Oliver Griffiths (South Coast)
The Hon. Samuel Barry (Upper Hunter)
The Hon. Sonisha Nagra (Oxley)
The Hon. Euan Osten (Eden-Monaro)
The Hon. Annabelle Shannon (Barwon)



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Rural and Regional Housing for Young People Act 2021 (NSW)

A Bill

for

An Act to improve young people's access to housing and its
affordability across rural and regional areas



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Explanatory Notes

Housing accessibility is a significant obstacle for young people in rural and regional communities. These regions make up eighty per cent of the state's land and home to one-third of the state's population (Planning Institute Australia, 2019). The lack of affordable housing options in comparison to the large portion of the rural population represented by young people is evident when considering their budgets and necessary additional expenses. The struggle to attain a property is compounded by young people also seeking temporary housing such as crisis housing.

Climbing prices for housing needs to be consolidated with conditions that enable young people who are first home buyers to have affordable access to houses and rental properties. Moreover, to address the aforementioned problem, the government should allocate additional funds towards housing infrastructure and crisis housing in rural and regional areas. Doing so will drastically reduce the elevated levels of anxiety and stress placed on young people searching for places to live. Ultimately, focusing on both aspects of accessibility will encourage young people in rural and regional communities to remain in these areas, eventually ensuring country regions will maintain and increase their populations.

Young people in rural and regional areas are faced with lower income and a higher cost of living. Typically, residents in rural and regional areas have 18% less household income than those in metropolitan regions (Australian Institute of Health and Welfare 2016). Subsequently, these residents have less disposable income to allocate to necessities and experience a higher cost of living.

Recently, rural and regional populations have increased due to migration from metropolitan regions. However, the demand for housing has not been met with adequate supply which has caused median house prices to rise. House prices in some regional areas of NSW have reached a median greater than one million dollars (CoreLogic Data, 2021). For regional and rural towns, this price is unaffordable for most people living in country areas. Research suggests that rental house prices have surged more than 20% in the past year (Redman, 2021). While the median house price has risen up to 37% in the last year in regional areas including; Albury, Wagga and Dubbo. Subsequent to rising house prices, young people are disproportionately affected by financial constraints.

Young people are being forced out of the property market across the state due to increasing house prices and a competitive market. Subsequently, young people are at risk of homelessness and are unsupported by the government. In these cases, people turn to crisis accommodation,



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which there isn't enough of. Those who can find temporary accommodation (i.e., caravan parks, motels etc.), can be forced out at a moment's notice, creating an atmosphere of uncertainty and anxiety. Crisis housing provides short term relief for vulnerable people in our community. This Bill aims to provide a combination of long- and short-term solutions to support rural and regional young people.

Reference list

- 1) Australian Institute of Health and Welfare. 2021. *Rural & remote health, Profile of rural and remote Australians - Australian Institute of Health and Welfare*. [online] <<https://www.aihw.gov.au/reports/rural-remote-australians/rural-remote-health/contents/profile-of-rural-and-remote-australians>> [Accessed 13 June 2021]
- 2) Bailey, E., 2021. *Rental market shortage forces woman with six children into homelessness*. [online] Bega District News. <<https://www.begadistrictnews.com.au/story/7187561/rental-market-shortage-forces-woman-with-six-children-into-homelessness/>> [Accessed 13 June 2021]
- 3) CoreLogic Data n.d., *218 markets reach the million-dollar club, according to new report, CoreLogic Asia Pacific*, viewed 22 June 2021, <<https://www.corelogic.com.au/news/million-dollar-markets>>.
- 4) Profile.id.com.au. 2021. *Household income | Australia | Community profile*. [online] <<https://profile.id.com.au/australia/household-income?WebID=180>> [Accessed 13 June 2021]
- 5) Redman, E 2021, *Australian rent prices: Regional rents soar amid pandemic tree-change effect, Domain*, viewed 21 June 2021, <<https://www.domain.com.au/news/australian-rent-prices-regional-rents-soar-amid-pandemic-tree-change-effect-domain-figures-show-1045040/>>.
- 6) Woodburn, J., Ross, H., Martin, M. and Turnbull, S., 2021. *Sydney tree-changers' exodus creates housing crisis in regional NSW*. [online] <<https://www.abc.net.au/news/2021-02-15/sydney-exodus-creates-housing-crisis-in-regional-nsw/13144424>> [Accessed 13 June 2021]



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The Youth Parliament of New South Wales enacts –

Part 1: Preliminary

1. Short Title

This Bill may be cited as *Rural and Regional Housing for Young People*.

2. Commencement

This Bill shall commence on 31 of December 2022 after Royal Assent from the NSW Youth Governor.

3. Objects

The objects of this Act are:

- a. To improve young people’s access to housing in rural and regional areas across New South Wales by providing an accessible, liveable and affordable standard of living regarding housing.
- b. To discover the supply of houses needed for young Australians in regional and rural areas.
- c. To supply adequate homes available for young Australians in regional and rural areas.
- d. To confirm that there are houses available for young Australians to buy in their area, based on the median income of young Australians in said area and improve housing affordability.

4. Definitions

- a) **Accessibility:** The quality of being able to reach something. I.e., the ability to access affordable and quality housing.

- b) **Adequate Housing:** Adequate housing must include acceptable and sufficient privacy, space, security, lighting, ventilation, basic infrastructure, and location regarding work and basic facilities, all at a reasonable cost to the individual.
- c) **Affordable:** In a price range reasonable for young people to achieve based on the median earned from young people in the questioned area.
- d) **Affordable Housing Costs:** Maximum expenditure in relation to household income does not exceed 30%.
- e) **Average House Ownership:** The average length that a house is owned for, which is currently eight years.
- f) **Average Unimproved Value:** The unimproved value is what the block of land is worth subject to its highest and best use under the lease conditions. It does not include any improvements on the land, such as buildings, landscaping, paths and fences.
- g) **Commercial property:** Any non-residential property used for commercial profit-making purposes.
- h) **Homelessness:** When a person lacks a fixed, regular, and adequate night-time residence. This also includes a shelter designed for temporary living accommodations, couch surfing and rough places not designed for human habitation.
- i) **Foreign-Owned Land:** A foreign person owning land in New South Wales:
 - i) An individual;
 - ii) A corporation;
 - iii) A trust;
 - iv) A foreign Government;
 - v) A government investor; or
 - vi) A partner in a limited partnership.
- j) **Land Value Tax (LVT):** An annual tax average unimproved value of the land. LVT is calculated by independent valuers contracted by the NSW State Government.
- k) **Low Income Earners:** An individual whose annual income is less than 80% of the New South Wales median income.
- l) **Moderate Income Earners:** An individual whose annual income is between 80-120% of the New South Wales median income.
- m) **Non-Principal Place of Residence:** Places of residence owned by an individual or entity which is not the principal place of residence (excess property).
- n) **Principal Place of Residence (PPR):** The one place of residence that is, among the one or more places of residence of the person within and outside Australia, the principal place of residence of the person.
- o) **Primary Production Land (PPL):** Referring to *Land Tax Management Act 1956 Section 10AA*, land whose dominant use is:
 - i) cultivation, for the purpose of selling the produce of the cultivation;

- ii) the maintenance of animals (including birds), whether wild or domesticated, for the purpose of selling them or their natural increase or bodily produce;
 - iii) commercial fishing (including preparation for that fishing and the storage or preparation of fish or fishing gear) or the commercial farming of fish, molluscs, crustaceans or other aquatic animals;
 - iv) the keeping of bees, for the purpose of selling their honey;
 - v) a commercial plant nursery, but not a nursery at which the principal cultivation is the maintenance of plants pending their sale to the general public; or
 - vi) the propagation for sale of mushrooms, orchids or flowers.
- p) **Regional and Rural Area:** Encompasses all areas outside Australia's major cities. Using the Australian Standard Geographical Classification System, these areas are classified as Inner Regional, Outer Regional, Remote or Very Remote.
- q) **Ratio of household debt to household assets:** The ratio calculated by dividing the total amount of debt owed by households by the value of household assets.
- r) **Residential land:** The site of a building or buildings, designed, constructed or adapted for residential purposes which includes the following:
- i) Vacant land zoned.
 - ii) Land on which there are one or more dwellings (including buildings under construction).
 - iii) Land use entitlement.
 - iv) Strata lots.
 - v) Utility lots.
- s) **Stamp Duty:** A one off tax paid when vacant land or established home (new or old) has transferred ownership.
- t) **Unimproved Land:** Unimproved land is an area (owned or unowned) with no notable or recognisable improvements, construction of buildings, fencing, upkeep of flora, clearing/levelling etc., and its estimated value.
- u) **Young Australians/people:** 'Young people' as those aged 16-30 years old.



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Part 2: Repeals and Terminology Adjustment

1. Repeal of stamp duty

- (1) This bill will repeal the Stamp Duty Tax as outlined in Duties Act 1997 (NSW)(Duties Act) for those that meet the following conditions:
 - (a) Either:
 - (i) Individual annual income is considered low to moderate; or
 - (ii) Household annual income is considered low to moderate.
 - (b) Within ten years each residential property that changes ownership will no longer qualify for Stamp Duty.
 - (i) Residential properties will be given a Land Value Tax.
 - 1) Principal Places of Residence that have not transferred ownership within this time period will start to pay land tax.
- (2) Repeal the Land Tax as outlined in Duties Act 1997 (NSW).
 - (a) Principal Places of Residence will be exempt from the Land Value Tax until the property is either sold, passed down or ownership is transferred.
 - (i) This does not apply to Non-Principal Places of Residence.

Part 3: Finance and Payments of Land

1. Valuing the Land

- (1) Land is valued at its **average unimproved value**, assessed by independent valuers contracted by the NSW State Government.
- (2) Land Value Tax varies depending on land type and residence status as outlined in part 3.2 of this Bill below.

2. Rates for Land

- (1) Regional and Rural Principal Place of Residence.
 - (a) Refer to table 1.1.
- (2) Metropolitan Principal Place of Residence.
 - (a) Refer to table 1.2.
- (3) Regional and Rural Commercial Property.
 - (a) Refer to table 1.3.
- (4) Metropolitan Commercial Property.
 - (a) Refer to table 1.4.
- (5) Regional and Rural Non-Principal Place of Residence.
 - (a) Refer to table 1.5.
- (6) Metropolitan Non-Principal Place of Residence.



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- (a) Refer to table 1.6.
- (7) Regional and Rural Unimproved Land.
 - (a) Refer to table 1.7.
- (8) Metropolitan Unimproved Land.
 - (a) Refer to table 1.8.
- (9) Foreign-Owned Land.
 - (a) Refer to table 1.9.

3. Payment of Land Value Tax

- (1) Refer to table 2.0.



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Part 4: Rental Subsidies and Affordable Housing

1. Improved accessibility of housing through rental subsidies

- (1) A State Government rental subsidy known as 'Young People's Rental Assistance' will be established.
- (2) Young people who meet the following criteria will be eligible for the subsidy:
 - (a) Individuals aged between 16 and 25 years old.
 - (b) Individuals who reside in a regional or rural region in New South Wales.
 - (i) The following locations are considered regional or rural:
 - 1) Central Coast; Central West; North Coast; New England; North West; Far West; Orana; Riverina; Southern Highlands and Tablelands; Mid North Coast; and Murray-Lower Darling.
 - (c) Individuals considered to have low to medium income:
 - (i) The individual's yearly income is below the New South Wales median yearly income.
 - 1) Income will be assessed on a biannual basis to determine an individual's income.
 - (d) Individual does not live with a parent or guardian.
 - (e) Individual does not live in or rent a property owned by parent or guardian.
- (3) Conditions of the rent subsidy:
 - (a) The maximum length of the subsidy is four consecutive years.
 - (b) Subsidy must end once the individual is 25 years old.
 - (c) Subsidy is provided on a fortnightly basis.
 - (d) If an individual ends the rental agreement early the subsidy will end.
 - (e) An individual can reapply for a subsidy if they were to move to another rental property.
- (4) Subsidy is calculated by individual's rent agreement and will fulfil the lesser of the two conditions:
 - (a) The subsidy provides 50% of the weekly rent.
 - (b) The subsidy is a maxim of \$300 weekly.
 - (i) The maxim subsidy will be adjusted to national inflation rates provided by the Reserve Bank of Australia once a year.



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2. Improvement of housing affordability through public private partnership

- (1) A State Public Construction Agency will be established under the Department of Communities and Justice and will target the following:
 - (a) Increasing residential infrastructure in regional and rural areas;
 - (b) Evaluates regions with limited affordable housing;
 - (i) Increase supply of affordable housing with private partnerships.
 - (c) Identifying and exploiting collaborations across the various sides of a project and achieving operational efficiencies; and
 - (i) Encourages private investors to build on regional and rural commercial land.
 - (d) Expenditure on housing prices, mortgage payments or rents do not exceed lower-income household gross income by more than 30%.



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Part 5: Crisis Housing in Regional and Rural Areas

1. Improving funding for homelessness organisations

- (1) Rework and restructure how homelessness organisations are budgeted for by:
 - (a) Calculating the average client count for the past three years of the organisation.
 - (i) Contracts on a 12-month basis based on their client intake over those three previous years.
 - 1) Renew funding according to Section 3 Clause 2 Point A.
- (2) Funding includes educational programs for the following topics:
 - (a) Domestic violence;
 - (b) Homelessness; and
 - (c) Relationship between domestic violence and homelessness.
- (3) Organisations are permitted to host events and days in schools across the state to target early intervention and changing the culture around previously mentioned topics.
- (4) Organisations are to consider domestic violence and homelessness hostels specific for men.

2. Infrastructure change of how homelessness organisations operate

- (1) Reassess how homelessness organisations are provided funding for large projects.
 - (a) Large warehouses and buildings should be converted into:
 - (i) Crisis shelter and accommodation for homeless people with access to:
 - (1) Overnight access to ambulance officers, psychologists, psychiatrists and social workers; and
 - (2) Short to long term stay for individuals looking for permanent residences.
 - (b) Prioritise the development of detached social housing by:
 - (i) Diversifying social housing and improve integration with regional economic hubs;
 - (ii) Discouraging intergenerational homelessness and welfare dependency; and
 - (iii) Diverting funding onto organisations to further boost their budgets and allow housing for more people.

3. Change how the youth specifically are helped and supported

- (1) Establish a system where organisations are funded an amount specifically for Youth related homelessness.
- (2) Separate funding specific and exclusive to youth.
 - (a) Calculated by an individual to dollar ratio:



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- (i) Per dollar is given for every one young person; and
 - (ii) Per twenty cents is given for every adult.
- (3) The BODY must pay a RECIPIENT the TYPE OF subsidy where:
- (a) The RECIPIENT applies to the BODY, in a form approved by the BODY, for the TYPE OF subsidy; and
 - (b) The BODY is satisfied, in relation to the TYPE OF subsidy claimed for each TYPE OF, that the RECIPIENT sold the TYPE OF:
 - (i) To a TYPE OF BENEFICIARY; and
 - (ii) At a 20 percent discount of the pre-subsidy price of the TYPE OF.
 - (c) The TYPE OF subsidy for each TYPE OF is worked out using the formula:

$$\text{TYPE OF subsidy} = \frac{\text{pre-subsidy price of the TYPE OF}}{0.2 (20\%)}$$

Appendix

Table 1.1 for Regional and Rural Principal Place of Residence:

Average Unimproved Value	Rate
\$0-\$40,000	Fixed \$500
\$40,001+	\$500 + \$5 for every \$1000

Table 1.2 for Metropolitan Principal Place of Residence:

Average Unimproved Value	Rate
\$0-\$35,000	Fixed \$1000
\$35,001	\$1000 + \$7.5 for every \$1000

Table 1.3 for Regional and Rural Commercial Property:

Average Unimproved Value	Rate
\$0-\$100,000	Fixed \$2500
\$100,001 - \$500,000	\$2500 + \$5 for every \$1000
\$500,001+	\$4500 + \$7.50 for every \$1000

Table 1.4 for Metropolitan Commercial Property:

Average Unimproved Value	Rate
\$0-\$75,000	Fixed \$5000



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\$75,001 - \$500,000	\$5000 + \$5 for every \$1000
\$500,001+	\$8187 + \$10 for every \$1000

Table 1.5 Regional and Rural Non-Principal Place of Residence:

Average Unimproved Value	Rate
\$0 - \$25,000	Fixed \$500
\$25,001 - \$500,000	\$500 + \$5 for every \$1000
\$500,001+	\$2875 + \$7.5 for every \$1000

Table 1.6 for Metropolitan Non-Principal Place of Residence:

Average Unimproved Value	Rate
\$0-\$25,000	Fixed \$2500
\$25,001 - \$500,001	\$2500 + \$7.5 for every \$1000
\$500,001+	\$6062 + \$10 for every \$1000

Table 1.7 for Regional and Rural Unimproved Land:

Average Unimproved Value	Rate
\$0-\$250,000	Fixed \$2500
\$250,001 - \$500,000	\$2500 + \$5 for every \$1000
\$500,001+	\$3750 + \$10 for every \$1000

Table 1.8 for Metropolitan Unimproved Land:

Average Unimproved Value	Rate
\$0-\$50,000	Fixed \$5000
\$50,001 - \$500,000	\$5000 + \$5 for every \$1000
\$500,001+	\$7250 + \$10 for every \$1000

Table 1.9 for Foreign-Owned Land:

\$0-\$50,000	Fixed \$5000
\$50,001 - \$500,000	\$5000 + \$5 for every \$1000
\$500,001+	\$7250 + \$10 for every \$1000

Table 2.0 for Land Value Tax:

Quarter	Non-Leap Year (%)	Leap Year (%)
July to September	25.2054	25.1366
October to December	25.2054	25.1366
January to March	24.6575	24.8633
April to June	24.9315	24.8633

Amendments

Amendment One

Clause 3

Amendment request

- **AMENDMENT**
- OMITTING
- NEW CLAUSE

Original clause

Part 4: Rental Subsidies and Affordable Housing

1. Improved accessibility of housing through rental subsidies.

(2) Provide rent subsidies for young people who meet the following criteria:

- (a) Individual is aged between 16 and 25 years old.
- (b) Individual resides in a regional or rural region in New South Wales.
 - (i) The following regions are considered regional or rural:
 - 1) Central Coast; Central West; North Coast; New England; North West; Far West; Orana; Riverina; Southern Highlands and Tablelands; Mid North Coast; and Murray-Lower Darling
- (c) Individual is considered as a low to medium income:
 - (i) The individual's yearly income is below the New South Wales median yearly income.
 - 1) Income will be assessed on a bi-annual basis to determine individual's income.

(3) Condition of the rent subsidy:

- (d) The maximum length of the subsidy is four consecutive years.
- (e) Subsidy must end once the individual is 25 years old.

Amendment request:

Make the age requirement to 16-30.

Refer to the RRMA index instead of listing rural regions as they change over time.

Change from biannually to annually (end of the financial year).

Take out four year and replace with two year in part 3a

New clause should now read

1. Improved accessibility of housing through rental subsidies

- (1) Establish a State Government rental subsidy known as 'Young People's Rental Assistance'.
- (2) Provide rent subsidies for young people who meet the following criteria:
 - (a) Individual is aged between **16 and 30** years old.
 - (b) Individual resides in a regional or rural region in New South Wales.
 - (i) **Regional or rural regions are as determined by The Rural, Remote and Metropolitan Area (RRMA) classification from the Bureau of Statistics.**
 - (c) Individual is considered as a low to medium income:
 - (i) The individual's yearly income is below the New South Wales median yearly income.
 - 1) Income will be assessed on **an annual basis (at the end of the financial year)** to determine individual's income.
 - (d) Individual does not live with a parent or guardian.
 - (e) Individual does not live in or rent a property owned by parent or guardian.
- (3) Condition of the rent subsidy:
 - (a) The maximum length of the subsidy is **two** consecutive years.
 - (b) Subsidy must end once the individual is **30** years old.
 - (c) Subsidy is provided on a fortnightly basis.
 - (d) If individual ends rental agreement early the subsidy will end.
 - (e) An individual can reapply for a subsidy if they were to move to another rental property.



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Amendment Two

Clause Four

Amendment request

- AMENDMENT
- OMITTING
- **NEW CLAUSE**

Original clause

Part 5: Crisis Housing in Regional and Rural Areas

1. Improving funding for homelessness organisations.
2. Infrastructure change of how homelessness organisations operate.
3. Change how the youth specifically are helped and supported.

Amendment request:

New clause for the creation of a Regional and Rural Homelessness Task Force that can talk to different communities, locate specific problems and calculate the actual numbers of homeless people.

New clause should now read:

Part 5: Crisis Housing in Regional and Rural Areas

1. Improving funding for homelessness organisations.
2. Infrastructure change of how homelessness organisations operate.
3. Change how the youth specifically are helped and supported.
4. Creation of a Rural and Regional Homelessness Taskforce.
 - (a) A Rural and Regional Homelessness Taskforce will be formed, and will be responsible for the execution of Clauses 1, 2, 3 and 4 of Part 5 of this Bill.
 - (b) The Taskforce will also be responsible for:
 - (i) Calculating the number of people facing homelessness across NSW;
 - (ii) Communicating with rural and regional communities to locate specific problems; and
 - (iii) Writing reports to the Government suggesting improvements, policy and assessing current outcomes of the Bill.



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Amendment Three

Clause Three

Amendment request

- **AMENDMENT**
- OMITTING
- NEW CLAUSE

Original clause (paste entire wording):

(4) Subsidy is calculated by an individual's rent agreement and will fulfil the lesser of the two conditions:

- (a) The subsidy provides 50% of the weekly rent;
- (b) The subsidy is a maxim of \$300 weekly; and/or
- (c) The maxim subsidy will be adjusted to national inflation rates provided by the Reserve Bank of Australia once a year.

Amendment request:

Part 4: Give different amounts to people depending on their yearly income. Higher income receives less help. Make a table. \$300 or 50% is the largest amount given. The amount given is halved in the second year.

New clause should now read:

(4) Subsidy is calculated by an individual's yearly income.

- (a) Higher incomes will receive a lesser subsidy.
 - (i) The maximum subsidy is \$300 weekly.
 - (ii) The maxim subsidy will be adjusted to national inflation rates provided by the Reserve Bank of Australia once a year.
- (b) The subsidy value will be halved in the second year.



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Results of the Vote

The results of the vote on the amendments were 16 Ayes, 30 Noes, and 0 Abstained. As such, the amendments were resolved in the negative.

The results of the vote on the Bill were 43 Ayes, 5 Noes, and 2 Abstained. As such, the Bill was passed.

The Rural and Regional Housing for Young People Act 2021 (NSW) was **passed unamended**.