



An Australian Government Initiative



Housing Supply Roundtable

November 2022



Goals for this Roundtable

▶ Impart Knowledge

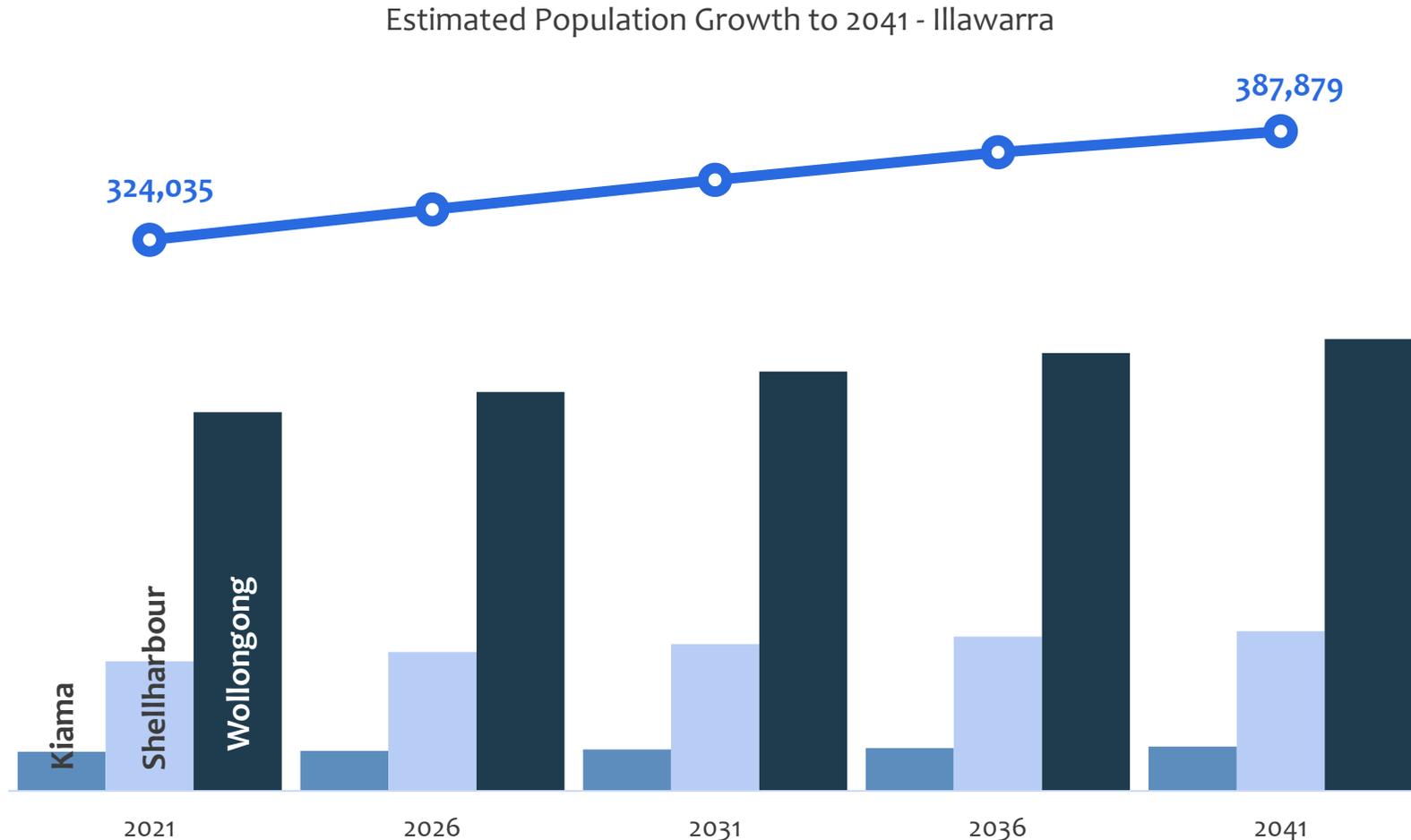
- Magnitude of the housing issue
- Potential impact on economic development

▶ Develop Potential Solutions

- Practical, timely solutions to housing supply

Housing is a critical issue...

Current availability is tight and we need to accommodate Illawarra growth of 63,000 by 2041



... and a significant challenge

But one that can be met in the Illawarra over the next 19 years – but some needs are immediate

63,000

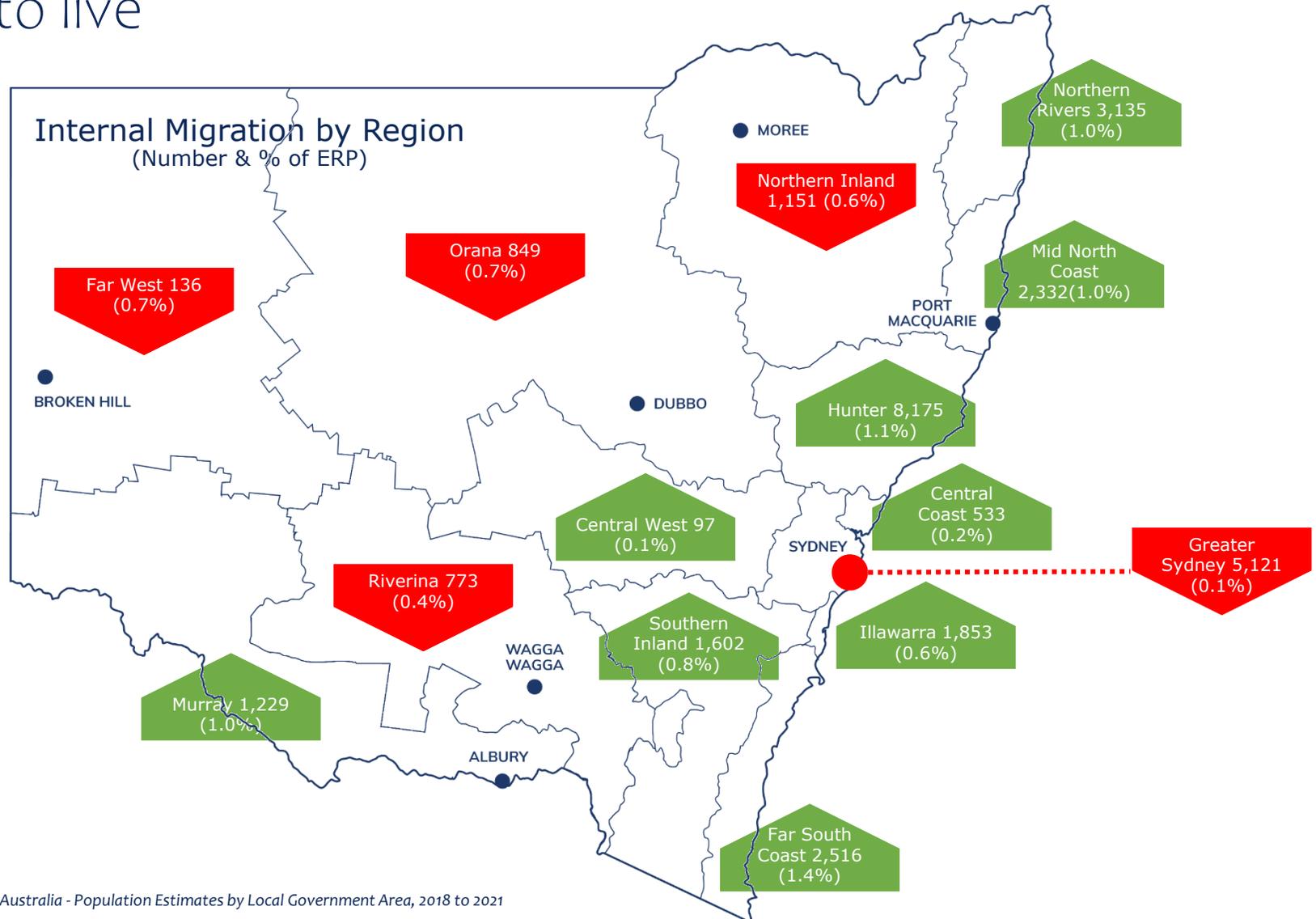
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25,000



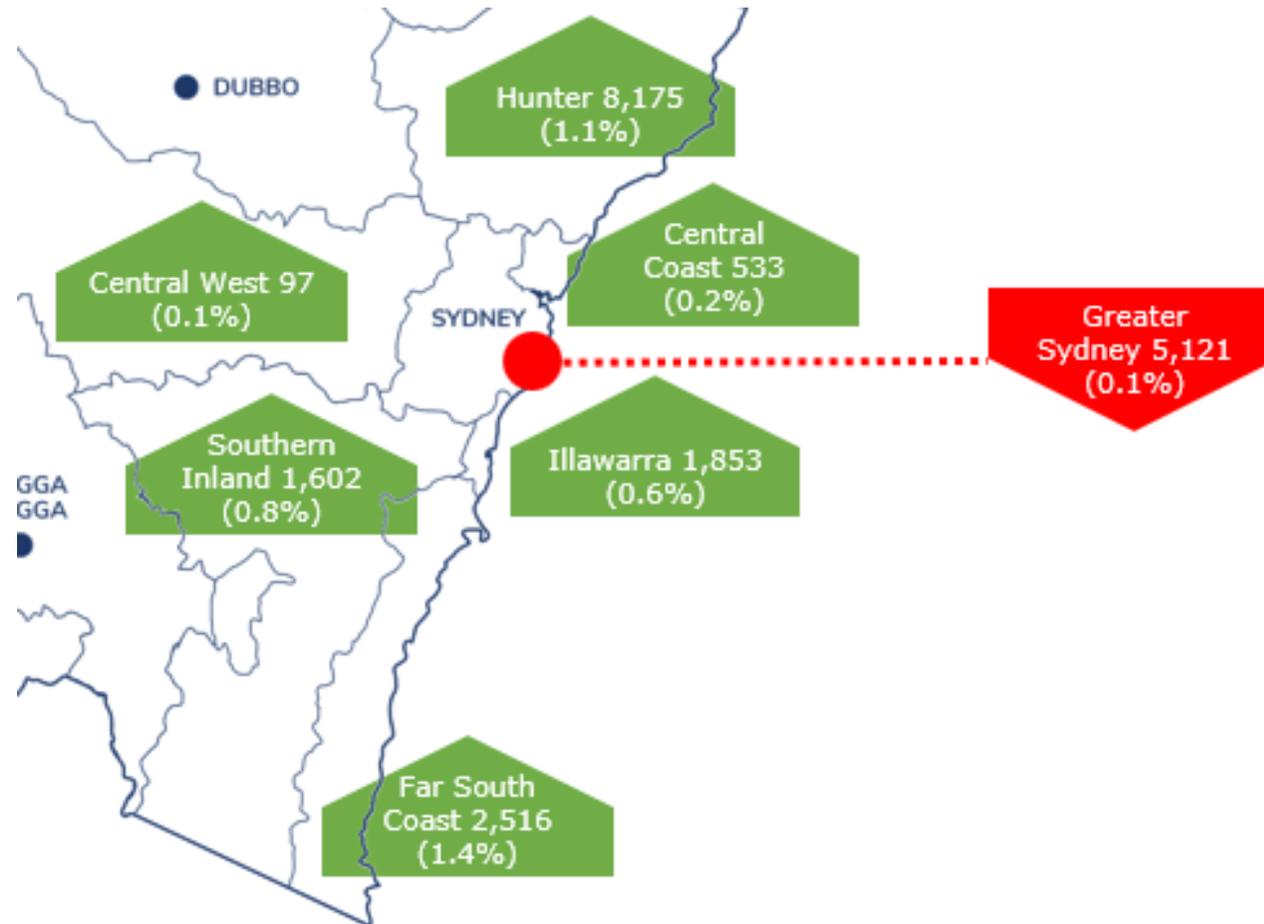
Already affecting the region

Internal migrants are looking beyond the Illawarra as a place to live



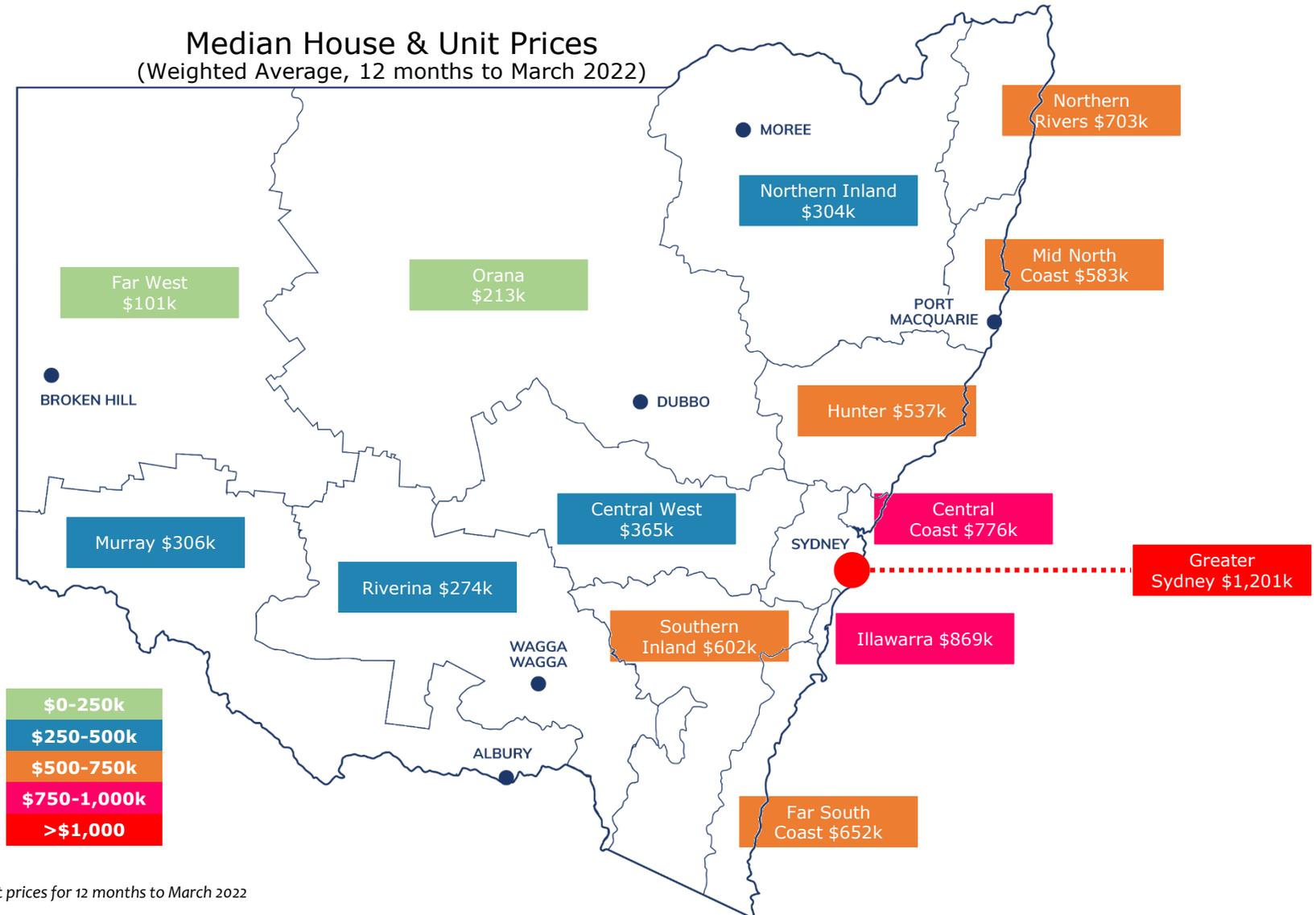
The 'Ripple Effect'

Hunter and Far South Coast (Inc. Nowra) getting nearly double the proportion of internal migrants



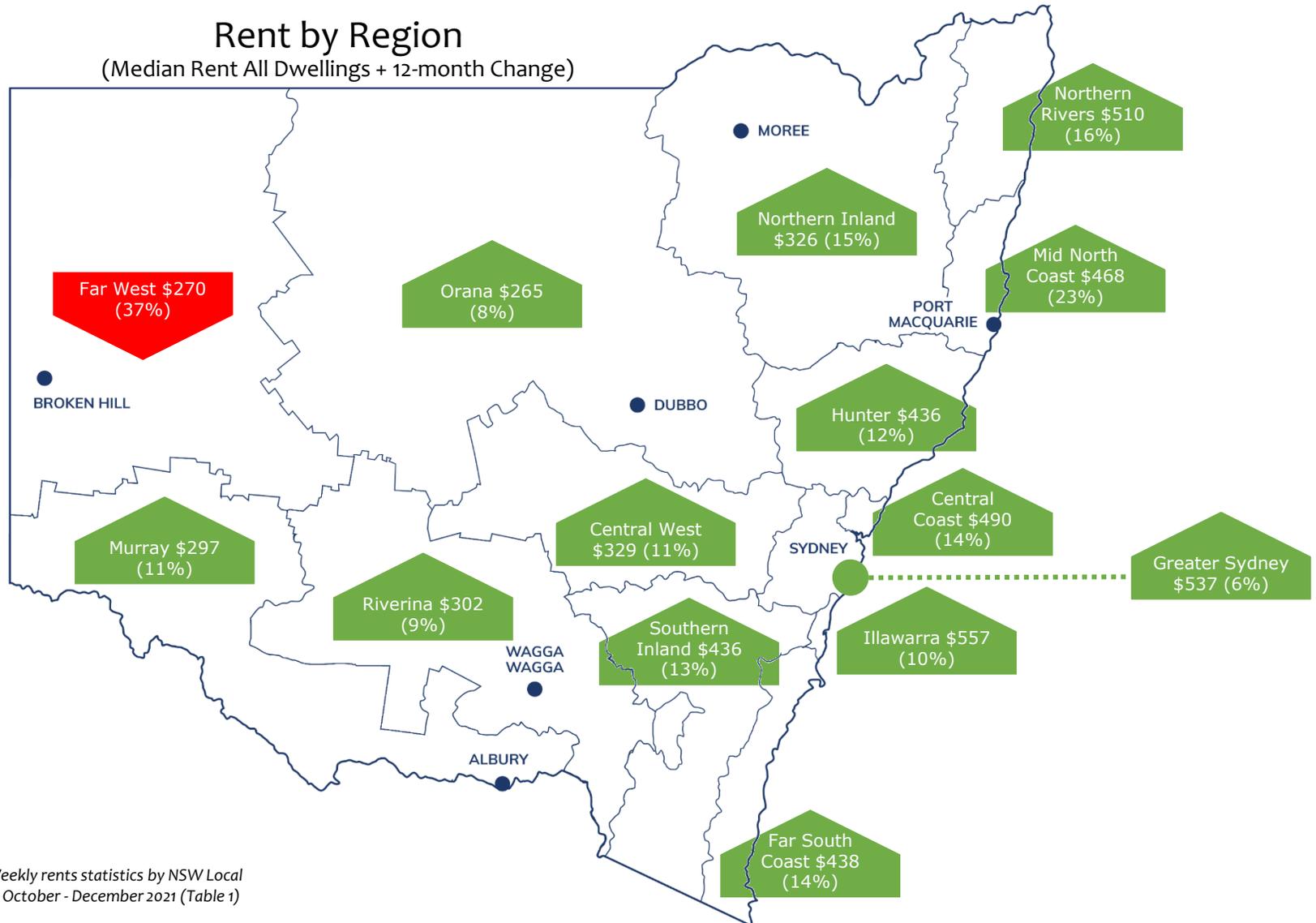
Price & availability are key

High price and low availability of housing are a deterrent



Why not rent?

Regional rents have increased at over 3X the rate of wages



Source:

- NSW Dept Communities & Justice. Weekly rents statistics by NSW Local Government Area. Reporting period: October - December 2021 (Table 1)
- RDA Illawarra Analysis

But house prices are falling...

...and interest rates are rising!



But still 8% higher than 12
months ago

Higher interest rates add
\$13,500/yr. to loan repayments
for median priced property in
Illawarra



38% of renters in payment
stress

Rental vacancy rates <1.0% in all
local LGA's
(viable vacancy rate is >3.0%)

Source:

- Corelogic data – Median house and unit prices for 12 months to Sept 2022
- ABS Census 2021
- RDA Illawarra Analysis

There is great opportunity



New industries are emerging, mature ones are changing and we are developing infrastructure

The hydrogen economy

Renewable energy

Advanced manufacturing

Digital economy

Visitor economy

Care economy

We need skilled people to plan, design and operate new infrastructure – but also to build and maintain it

Labour demand is significant



Construction workforce increases during 2023; is sustained to 2028, then rises again to over 4,000

Construction of infrastructure will require:

- A direct workforce of over 2,500 from the start of 2024 until 2027
- Peak workforce will reach over 3,000 during this period
- The workforce demand increases again in 2028
- Rising to over 4,000 direct workers through to 2031.

This is in addition to the current ‘baseload’ of work.

Skilled people are needed



But they need somewhere to live if they are to work – and remain - in the Illawarra

Lack of suitable housing supply is now a social *and* economic issue for the Illawarra

Potential solutions exist



Short-term and longer-term solutions exist to deliver homes for skilled people, including...

Temporary Modular Housing

Build to Rent (and later Sale) – e.g. ‘Olympic Village’ concept

Existing home conversion (4 bedrooms becomes 4 tenants)

Build more, faster and a variety

Reduce number of empty homes

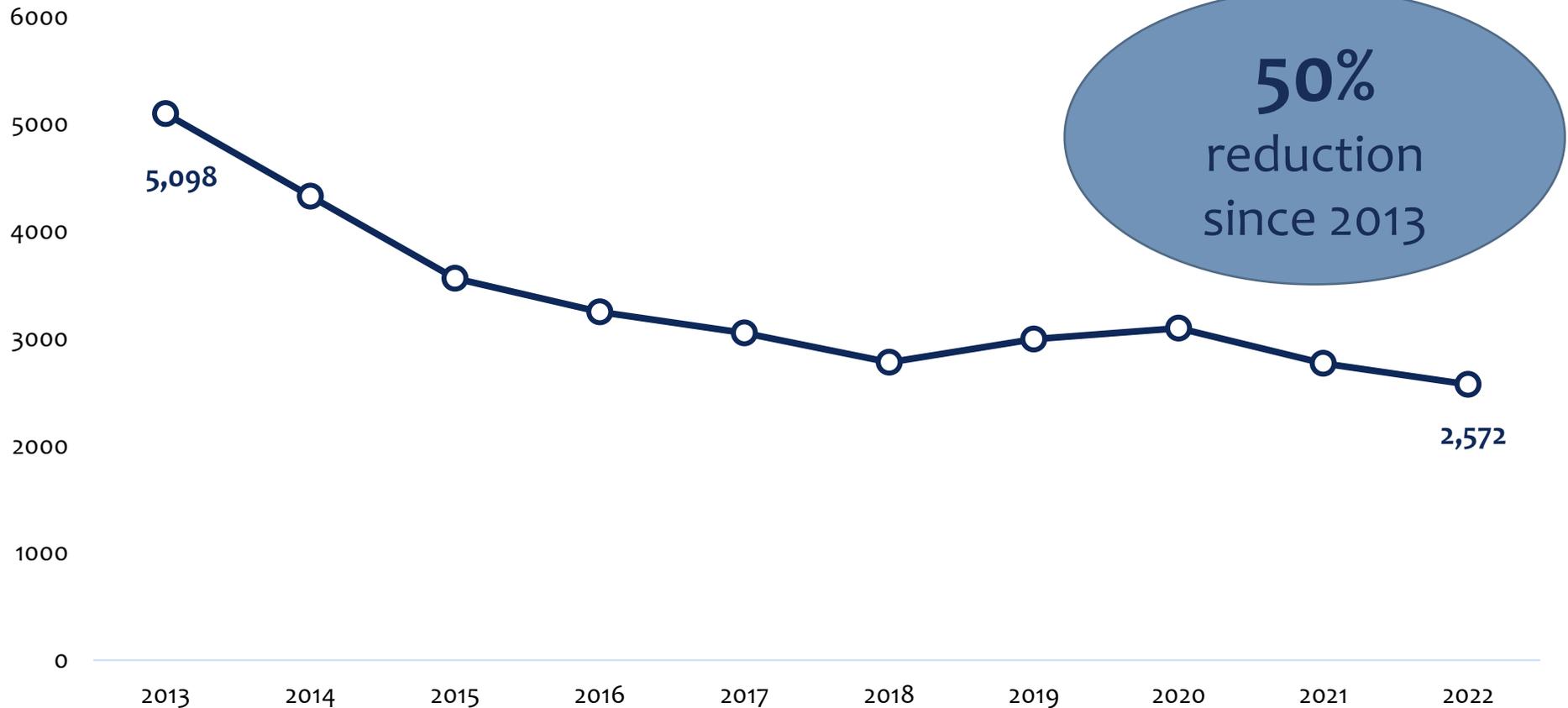
Discourage short-term lets

Employer-provided accommodation

Training is vital, but takes time

Diminishing levels of completion in Trades & other practical skills indicates training needs more support

TAFE Training Completions - Illawarra & SE NSW
(Apprenticeships & Traineeships)



Source:

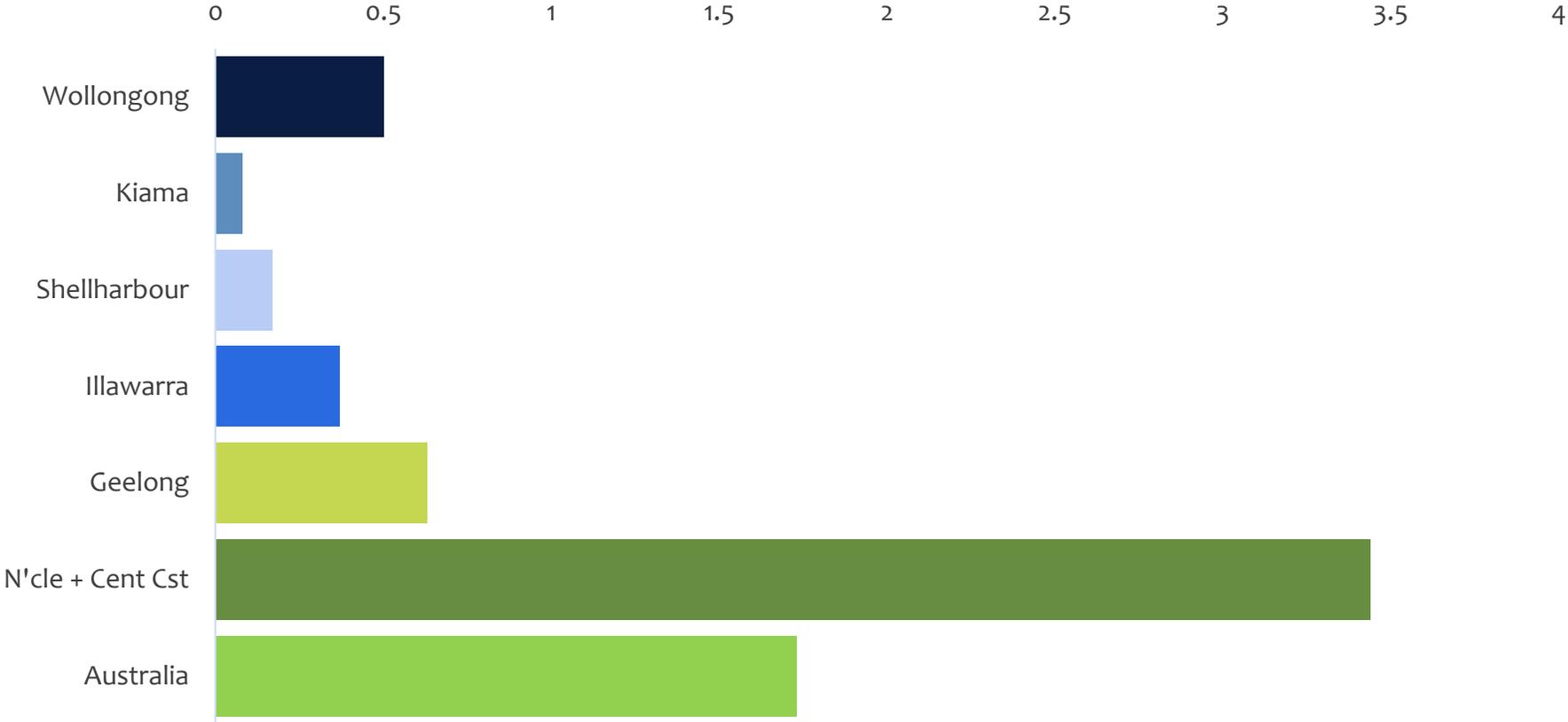
• NSW Dept Education – Vocational Training Statistics

Public transport is crucial

All Illawarra LGAs are below the national average for access to public transport



Access to Public Transport
(Number of Public Transport stops per 1,000 local residents)



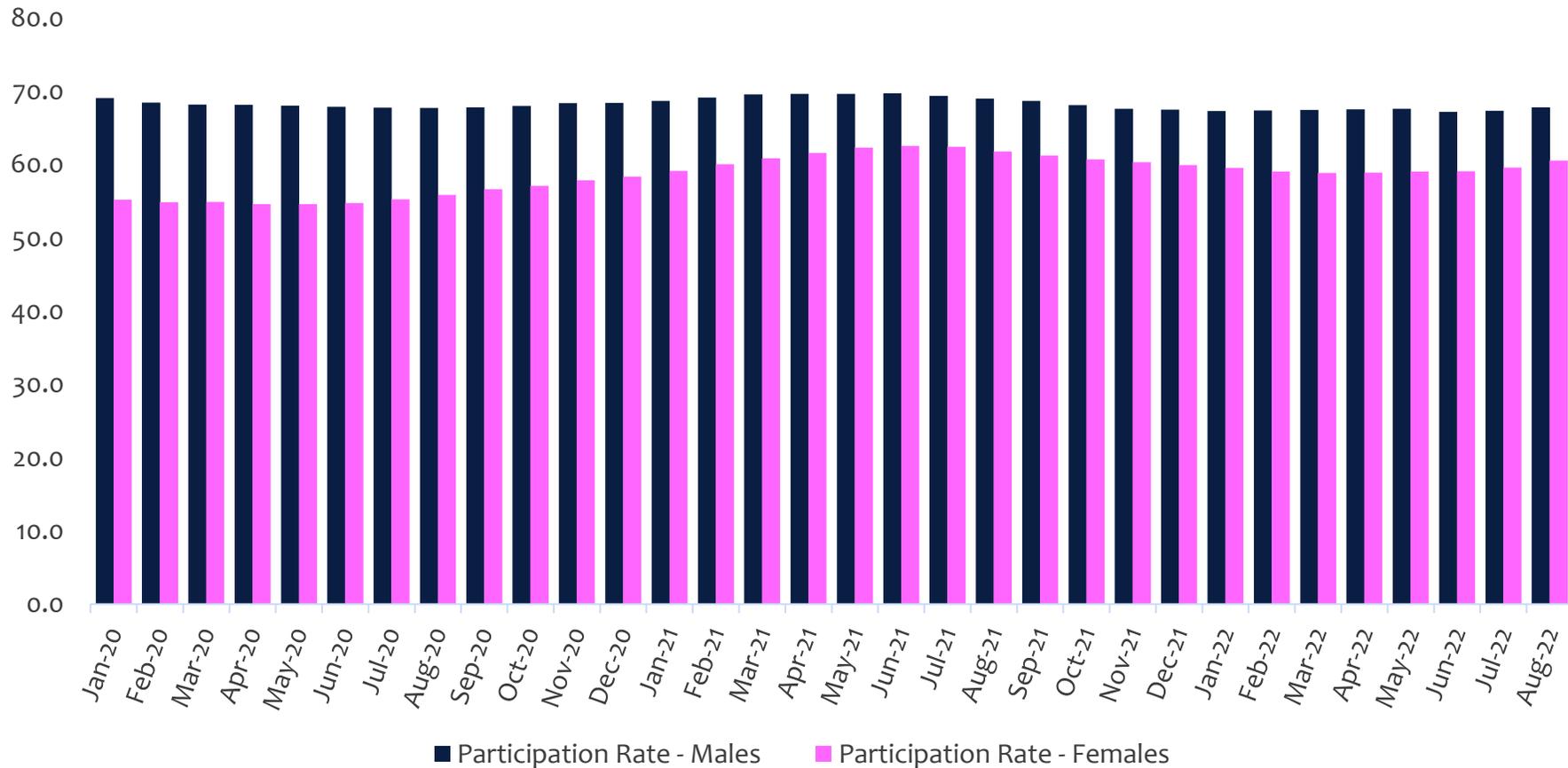
Source: AEC data, OpenStreetMap (2020). Public Transport Stops, Australia || ABS (2021). Regional Population Growth, Australia, 2020. Cat no. 3218.0. Australian Bureau of Statistics, Canberra

**Encouraging more women into the
workforce would help**

Fewer women participate

Workforce participation gap has narrowed post-COVID, but women are still underrepresented

Participation Rates by Gender - Illawarra



Female participation rate

Workforce participation is a complex issue with many contributing causes



All things being equal

If participation rate for women was the same as men last month...



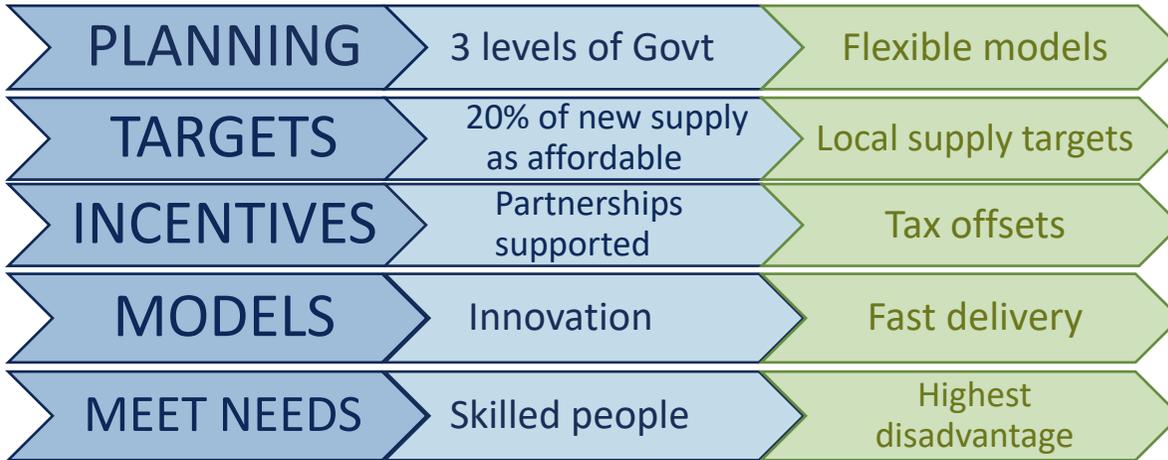
**+9,600
workers
in the
Illawarra**

And they already live here



**Don't
require a
single
additional
house**

Five-point roadmap



National Housing Accord 2022

Housing is a driver of employment (Scotland)

Housing is an economic anchor

Housing can shape local procurement

Do NOT demonise rentals



Roundtable Discussion

Top 3-5 Actions

Group One Solutions

IMMEDIATE

- Use Cruise ship anchored at Port Kembla for immediate worker accommodation
- Employers / business to supply short-term rental housing – potentially through temporary, portable homes
- Challenge unconscious bias around social housing tenants

SHORT-TERM

- Provide a variety of housing stock (sizes) to encourage downsizing
- Transforming / repurposing stock no longer fit for previous purpose (e.g. convert commercial to homes). Parking an obstacle

LONG-TERM

- Charge commercial rates for Air BnB and use additional revenue to fund affordable rental housing
- Purpose-built construction (e.g. superannuation funded & eligible for government funding)

Group Two Solutions

IMMEDIATE

- Get existing DA's through the planning process.
- Apply resources to support councils in DA approval
- Councils to adopt a proactive attitude to development

SHORT-TERM

- Fast-track approval of granny-flats in back yards and incentivise their construction. Factory-built modular homes could be used
- Allow conversion of old hotels / other buildings for affordable rental for a fixed time period without 'jumping through hoops' for planning and compliance
- Use factory-built dwellings (temporary homes) on council or government land for a limited duration

LONG-TERM

- Set firm targets for delivery of affordable housing in each LGA and keep councils accountable to deliver the target.
Targets can be set immediately with building to follow
- 'YES In My Back Yard' (YIMBY) campaign of public education regarding housing (need, type location, density)

Group Three Solutions

IMMEDIATE

- Change planning system to reduce ‘red tape’. Simplify and streamline the planning system for housing
- Use Cruise ship anchored at Port Kembla for immediate worker accommodation

SHORT-TERM

- Council removes parking allocation requirement for new developments
- Legislate that Land & Housing Commission and LandCom are no longer required to deliver a profit

LONG-TERM

- Influence / change public opinion on community housing (reduce self-interest & wealth protection position)
- Change public perception regarding increased housing density
- Reduce building costs (e.g. streamline production of modular homes) with better support for R&D activity – especially development of production lines.

Most Prevalent Solutions

IMMEDIATE

- Change planning system to reduce ‘red tape’. Simplify and streamline the planning system for housing and apply resources to accelerate approvals
- Use Cruise ship anchored at Port Kembla for immediate worker accommodation
- Employers / business to supply short-term rental housing – potentially through temporary, portable homes

SHORT-TERM

- Fast-track approval of granny-flats in back yards and incentivise their construction. Factory-built modular homes could be used
- Council removes parking allocation requirement for new developments
- Charge commercial rates for Air BnB and use additional revenue to fund affordable rental housing
- Allow conversion of old hotels / other buildings for affordable rental for a fixed time period without onerous planning and compliance requirements

LONG-TERM

- Set firm targets for delivery of affordable housing in each LGA and keep councils accountable to deliver the target
- Council-led education campaign to influence / change public opinion on community housing (reduce self-interest & wealth protection position).

Tangential Solutions

- Encourage more female participation in the workforce by reducing barriers
 - Deliver more childcare places in targeted locations
 - Provide more flexibility in allocation of government Family Payments
 - Develop targeted training opportunities
 - Embrace flexible working arrangements

- Provide more tailored training solutions through TAFE and Years 10-12
 - Develop targeted training opportunities for women

- Deliver better public transport throughout Wollongong, allowing people to travel to work efficiently

- Encourage partnerships in delivery of social and affordable housing, and incentivise them

- “Don’t demonise rentals”
 - Chances are, many people will never own their own home
 - Affordable, long-term rental provides security and dignity for those excluded from home ownership

Thank You

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