



NATIONAL REGIONAL HOUSING SUMMIT 2024



EVENT SUMMARY AND POLICY RECOMMENDATIONS

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INSTITUTE



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ACKNOWLEDGEMENT OF COUNTRY



We acknowledge the Traditional Owners and Custodians of Country throughout Australia. We recognise the strength and resilience of Aboriginal and Torres Strait Islander peoples and acknowledge and respect their continuing connections to country, rivers, land and sea. We recognise that sovereignty was never ceded. We also pay our respects to Elders past, present and emerging and extend that respect to all Traditional Custodians of this land.

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Front cover image: Quilpie Shire Council has introduced grants of up to \$20,000 to buy and build new residential dwellings across the Council's townships. The grant is on the condition buyers build a house on the land and move into the property for at least six months. Pictured is Quilpie Shire Council CEO Justin Hancock.

ABOUT US



REGIONAL AUSTRALIA INSTITUTE

Independent and informed by both research and ongoing dialogue with the community, the Regional Australia Institute develops policy solutions and advocates for change to build a stronger economy and a better quality of life in regional Australia – for the benefit of all Australians.

www.regionalaustralia.org.au



REAL ESTATE INSTITUTE OF AUSTRALIA

The Real Estate Institute of Australia is a federation of state and territory Real Estate Institutes. Formed in 1924, it represents the real estate industry in Australia at national and international levels.

www.reia.com.au



MASTER BUILDERS AUSTRALIA

Master Builders Australia (Master Builders) is the nation's peak building and construction industry association. Master Builders' members are the Master Builder state and territory associations. Over 130 years, the movement has grown to over 32,000 businesses nationwide, including the top 100 construction companies. Master Builders is the only industry association that represents all three sectors of the industry – residential, commercial, and engineering/civil construction.

www.masterbuilders.com.au

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REGIONALISATION AMBITION 2032

TARGET TO INCREASE AVAILABILITY AND AFFORDABILITY OF HOUSING IN REGIONAL AUSTRALIA

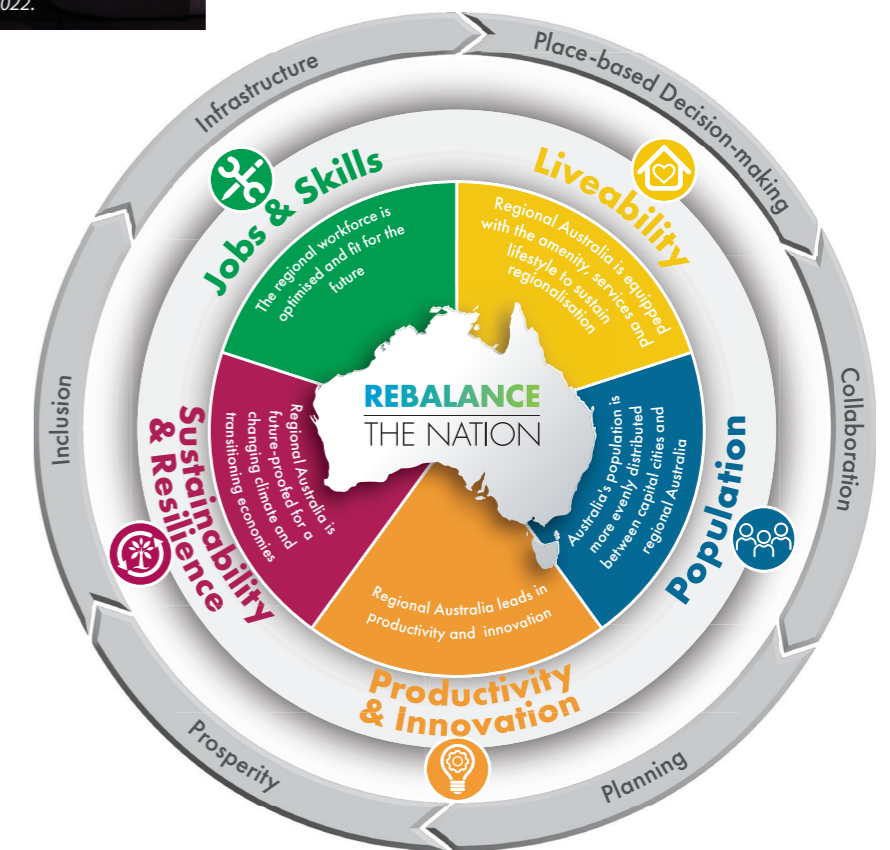


From left: RAI CEO Liz Ritchie, RAI Chair Christian Zahra AM and Minister for Infrastructure, Transport, Regional Development and Local Government, the Hon. Catherine King MP at the launch of the Regionalisation Ambition in 2022.

THE REGIONALISATION AMBITION 2032 SETS A TARGET TO ADDRESS CURRENT HOUSING SHORTAGES, INCLUDING TO INCREASE RENTAL VACANCY RATES IN REGIONAL AREAS TO ABOVE 3% AND TO ENSURE ANNUAL BUILDING APPROVALS KEEP PACE WITH POPULATION GROWTH.

The Regionalisation Ambition 2032 - A Framework to Rebalance the Nation, launched in 2022, is a national plan for regional Australia, based on more than a decade of research by the RAI, spanning the most important issues influencing the regions.

Designed for all levels of government; industry and the community; the Ambition seeks more balanced growth across our nation's regional communities and capital cities. The Framework underpinning the Ambition outlines cross-cutting themes under five pillars, each of which are interlinked and equally important. Across each pillar are key targets, actions and benefits that will contribute to building prosperous regional communities, and a stronger Australia.



MAKE A PLEDGE TO THE REGIONALISATION AMBITION 2032

The Regionalisation Ambition's goal to Rebalance the Nation has more than 60 pledges from supporters right across the nation. If your organisation is interested in making a pledge, visit the Ambition website to find out more.

www.rebalancethenation.com.au



THANK YOU FOR ATTENDING THE NATIONAL REGIONAL HOUSING SUMMIT

To you we say...thank you.

You were one of 350 Australians who joined the first National Regional Housing Summit on Friday 9 February 2024.

Delegates joined in person and online, from each state and territory representing regional communities and local government; community housing providers; the not-for-profit sector; peak bodies and the building and finance sectors.

Together we have started a movement to secure a more sustainable, more equitable future for regional housing.

As Summit Partners, we were committed to ensuring the Summit was a solutions-focussed, outcomes-driven event. In that spirit, in the following pages, you will find a detailed account of the learnings from our panellists and keynote speakers. Importantly, we have also analysed and synthesised your contribution to the workshop session, in response to these questions:

1. What do you want government to really understand?
2. What are the short-term changes to address regional housing challenges?
3. What are potential game-changing policies, investment and innovations that could lead to long-term, enduring improvements?

With the goal of transforming learnings and ideas into impact, we have married the initial Discussion Paper in a Summit Outcomes and Recommendations report. The report has been designed with all levels of government in mind, and it is our hope that our nation's leaders and decision makers will use these insights as a guide when they are formulating policy and making investment decisions that shape and intersect with regional housing.

To ensure our collective vision is achieved, we implore you to consider taking some or all of the following next steps:

- Share the Summit report with your community, colleagues, members and other stakeholders.
- Write to your local, state and federal parliamentarians with a call to action on regional housing solutions.
- Share the Summit outcomes in your stakeholder communications and across social media channels.
- Connect, and share solutions, with other Summit delegates.
- Join the National Regional Housing Summit virtual mid-year check-in (details will be sent to your registered email closer to the date).
- Attend the 2025 National Regional Housing Summit! - details and dates to come later this year.

The Regional Australia Institute, Real Estate Institute of Australia and Master Builders Australia, knew the time was right to convene this important conversation.

We thank the Bendigo & Adelaide Bank, Australian Forest Products Association, National Farmers Federation and for their support too.

Above all we thank you for your time, your insights, and your collaboration!

SUMMIT OUTCOMES AND RECOMMENDATIONS

This is a brief summary of the recommendations emerging from the Summit discussions and workshop – please refer to the National Regional Housing Summit Outcomes and Recommendations for the full suite of recommendations.

Or, to reflect on the input from delegates across these areas of opportunity, explore the section ‘What we’ve heard from you’ at the end of this paper.

WE WANT GOVERNMENT TO KNOW AND UNDERSTAND THAT:

- We must think long-term and more systematically about the future of regional Australia, and the nation.
- We must bolster the capacity of local government through additional funding.
- One size does not fit all, and even in measures designed to support regional communities, the criteria and competition often leaves smaller regions prejudiced.
- We must be deliberate in what houses are being built. We must also be focused on ensuring new housing is being targeted to the right places, and the types of homes needed – ones that are affordable, and provide a more diverse ‘mix’ in size.
- We each have a role to play. We know what is needed – we just now need to work together to enable the knowledge, creativity and collaboration that local communities and local governments can deliver.

LOCAL PEOPLE ARE BEST PLACED TO UNDERSTAND THEIR COMMUNITY’S NEEDS. THE COLLABORATION THAT WAS THE NATIONAL REGIONAL HOUSING SUMMIT HAS LED TO POLICY INSIGHTS THAT ARE LASER FOCUSED ON BRINGING ABOUT THE NEW HOMES NEEDED URGENTLY IN REGIONAL AUSTRALIA:

1. WE NEED TO ENCOURAGE THE DEVELOPMENT AND DEEPENING OF LOCAL RENTAL MARKETS AND RENTAL HOUSING, INCLUDING SOCIAL AND AFFORDABLE HOUSING.
2. WE NEED TO ENSURE A PIPELINE OF DEVELOPMENT-READY LAND (BOTH BROWNFIELD/INFILL AND GREENFIELD LAND) – PLANNING HAS A MAJOR ROLE HERE.
3. WE NEED MORE SUPPLY AND THIS NEEDS TO BE OF A GREATER MIX – FOSTERING A MEANINGFUL SUPPLY OF MEDIUM DENSITY HOUSING IN REGIONS.



LIZ RITCHIE
CEO
Regional Australia Institute

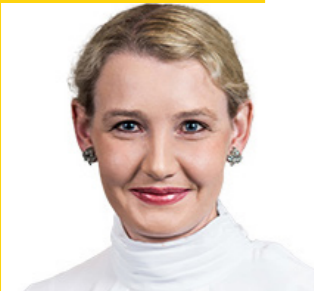


ANNA NEELAGAMA
CEO
Real Estate Institute of Australia



DENITA WAWN
CEO
Master Builders Australia

KEY TAKEOUTS FROM OUR SPEAKERS



KEYNOTE - A PRACTITIONER'S PERSPECTIVE

Edwina Brown
Principal Yass Real Estate

“When I look at the housing market, I am reminded of a windup clock. On the outside it looks simple and familiar – It’s something we all know and can relate to. However once you open the clock, you see a myriad of small, interdependent pieces working together. And when one small wheel loses only one of its teeth, all of a sudden our whole clock ceases to work as it should. This is how the housing sector works in Australia.”

- Regional housing markets are facing several challenges simultaneously today – mismatch in costs to develop and build compared to the market value, complex planning processes and rezoning timelines, staff shortages challenging local level approvals and construction.
- Increase productivity in the sector to overcome such challenges, by removing barriers to development and construction, and investing in infrastructure and liveability.
- Examine the property taxation system across the country, and minimise taxes blocking the effective operation of the housing market, and realise efficiencies in taxes that are necessary.
- For example, the longer buyers need to save, the longer they remain in rental properties. REIA analysis on stamp duty across Australia highlights an increase from 25.1% of the annual wage in 2012, to 34.3% today. Revising this bracket creep in stamp duty could assist both home ownership, and the rental market stock.
- Incentivise in a sustainable and non-inflationary way, the development of new homes and apartments, and encourage mum and dad investment in regional Australia.
- Invest in fit for purpose social and affordable housing.

[Read Edwina’s speech here.](#)



MINISTERIAL ADDRESS

The Hon. Julie Collins MP
Minister for Housing

“Regional Australia matters. When the regions thrive, Australia thrives, and housing is a huge part of this, especially with the challenges faced currently.”

How the Government is supporting housing needs across Australia:

- Housing Australia Future Fund – a new ongoing funding mechanism for social and affordable housing, supporting the delivery of 20,000 social, and 10,000 affordable rental homes in its first five years, as well as funding for acute housing needs. The first round of funding has recently opened for eligible applicants.
- National Housing Infrastructure Facility – can invest in critical infrastructure to unlock housing supply.
- Social Housing Accelerator - \$2 billion for state and territory governments to increase the supply of social housing, with implementation plans indicating investment into 4,000 new or refurbished homes; a significant proportion of which will be in regional communities (100 in regional NSW, 377 in regional QLD, 38 in regional NT, and 34 in regional Tasmania).
- National Housing Accord - delivering 1.2 million well-located homes across the country over five years from 1 July 2024, introducing the New Homes Bonus to incentivise the State and Territory achievement of this target.



PARLIAMENTARY ADDRESS

The Hon. Michael Sukkar MP
Shadow Federal Minister for Housing

“In the pursuit of artificial targets we can’t forget rural and regional Australia. Yes it can sometimes be a little bit tougher to get that project off the ground, they require a little more effort.”

The most important social infrastructure in this country is housing. There are key elements we can address at the federal level to overcome the housing challenges:

1. Empower local governments to deliver the infrastructure, services and solutions needed to provide quality housing and liveable communities. We could be working more closely with local governments to enable their knowledge and capacity to overcome housing challenges in their region – they know their community needs best.
2. Supporting access to finance for home-buyers in regional communities where markets are small, and/or stalled, and the risk-profile from a financial institution’s perspective is too high.
3. Support Community Housing Providers to provide the much-needed social and affordable rental housing in regional communities



PARLIAMENTARY ADDRESS

Dr Helen Haines MP
Independent Member for Indi

“It’s abundantly clear that regional housing problems and therefore solutions, are different to the problems that are in the cities. So we must make sure that at every step of policy, rural, regional and remote Australia is named.”

- We need to collaborate and come together to drive the local level solutions required – and these need to be enabled at a state and federal level.
- Regional communities need different supports and policy levers to enable liveable, thriving places – and it is important that policy acknowledges and reflects this.
- Critical infrastructure is an important enabler for housing in regional towns and places, and local government are limited in their capacity to deliver this.
- While the Housing Support Program, a “targeted activation payment for things like connecting essential services and amenities to support new housing developments” is an important win for regional communities needing such infrastructure, it remains open to all localities – driving competition and omitting many regional communities that this measure should be supporting.
- Regional, rural and remote must be seen, heard, and supported in new policy infrastructure.

[Read, and listen to, Dr Haines’ speech here and media release here.](#)



KEYNOTE - THE REGIONAL HOUSING STORY

Dr Kim Houghton
RAI - Chief Economist

“Regional communities are incredibly resilient and creative in their responses to these [housing] challenges, but you can only do so much. The long legacy of underbuilding across regions, and the low-balling of projections of regional population growth, has led to some of the structural problems [experienced in regional markets].”

- Communities are responding with creative solutions, but they can only do so much – structural constraints remain, and are limiting regional growth. (See the council-led solutions highlighted in the discussion paper)
- It’s important to frame our responses in context to the forces shaping different markets – and being targeted in how we implement them. For example, inland low activity ‘stalled’ markets face very different constraints to coastal growth markets.
- Explore the six different types of regional housing markets in the report; ***‘Building the Good Life: Foundations of Regional Housing’***.
- When we look globally, other countries are taking very different approaches. Australia continues to maintain an overall hands-off approach with the housing market – and we are broadly alone in this.
- Other countries are much more interventionist in the housing market to enable collective action at local scale in housing solutions, such as the USA, UK, Nordic countries.

[Read Dr Houghton’s presentation here.](#)

PANEL #1 MODERATED BY MATT WORDSWORTH - MASTER OF CEREMONIES HOUSING, THE ACHILLES’ HEEL TO THE REGIONS’ RENAISSANCE

During the recent 2016-2021 Census period, regional Australia had a net population gain of 166,000 people; job vacancies are at almost record highs and the regions are gearing up to be the engine room of Australia’s energy transition. In parallel, rental availability in many towns remains at 1% or below and new home approvals continually lag population growth. In this panel, Summit partners set the scene for the day’s discussion, sharing what they believe are the policy principles that must guide a collaborative approach to setting regional housing up for the future.

KEY PRINCIPLES TO TACKLE HOUSING CHALLENGES NOW, AND INTO THE FUTURE

1. Long-term thinking is needed.

We must think long-term and more systematically about the future of regional Australia, and the nation. Through long-term, holistic planning, such as through a national population plan, the regions will be better prepared to overcome current challenges, and avoid their return in the future.

“We dropped the ball on housing investment, and are now feeling the consequences of that. The Regionalisation Ambition 2032 was established to position that long-term thinking in a more holistic way, calling for integrated investment and action across all aspects of regional development – including housing.” - Liz Ritchie.

2. One size does not fit all, and even in measures designed to support regional communities, the criteria and competition often leaves smaller regions prejudiced.

Bespoke solutions are needed for the right market settings experienced in different communities. Sub-targets for regional Australia must be embedded in these new housing policies, so as to ensure a balance is achieved in reaching this ambitious target set by our leaders.

“We need bespoke solutions for the right market settings experienced in different communities.” - Liz Ritchie.

3. We each have a role to play.

We know what is needed – we just now need to work together to enable the knowledge, creativity and collaboration that local communities and local governments can deliver. That requires enabling capacity and resources through funding, and policy certainty for investor confidence.

“We need policy certainty so we can proceed with confidence for investors, build the homes, and thriving communities.” - Anna Neelagama.

“We need to all step up to own this target – it will take collaboration across the board to achieve this and truly overcome the crisis we are in.” - Denita Wawn.

4. We must be deliberate in what homes are being built.

Demand-side levers will not get us to the point of overcoming the current challenges – we must get the enabling settings right to drive supply of new housing and give investors confidence to proceed. But we must also be focused on ensuring new housing is being targeted to the right places, with the right type of homes needed – ones that are affordable, and provide a more diverse ‘mix’ in size. This will require incentives for investors, as currently, the numbers do not stack up.

“This is not just about building houses, but being deliberate about the type of houses being built.” - Denita Wawn.

5. We must bolster the capacity of local government through additional funding.

Regional communities are feeling the pinch of housing pressures, with rough sleeping now an occurrence in communities that have rarely (if ever) experienced this before. To get ahead of this, and ensure communities continue to thrive as liveable, safe, sustainable places, local government needs funding support. A starting point would be to see the \$500 million infrastructure fund become recurrent, or to realise Dr Haines’ advocacy for a \$2 billion fund to be dedicated for regional communities.

“Local governments are limited in their funding to deliver the scale of infrastructure required to build sustainable, thriving, liveable communities.” - Clr Linda Scott

Thank you to our panellists:

- Liz Ritchie, CEO - Regional Australia Institute
- Anna Neelagama, CEO - Real Estate Institute of Australia
- Denita Wawn, CEO - Master Builders Australia
- Clr Linda Scott, President - Australian Local Government Association



PANEL #2 MODERATED BY DR KIM HOUGHTON - CHIEF ECONOMIST, RAI

FROM THE GROUND UP: REGIONAL HOUSING & HOME OWNERSHIP

Spanning banking, investment, planning, and development, this panel considers how regional communities overcome barriers to boosting housing quality and supply, facilitate home-ownership for those market types that are really struggling, and make investing in regional housing more attractive to private and institutional investors.

KEY TAKEOUTS

- 1. Enabling infrastructure investment to support regional communities growth into the future is absolutely critical alongside the construction of new homes. Water, energy, and key services must all support the addition of new homes, and residents.**
- 2. In many regional communities supply costs and market returns do not stack up. This tends to significantly constrain access to housing finance and is a key barrier to additional housing supply. The end result is local housing supply failing to meet demand. We must embrace public-private partnerships and collaborate – and possible solutions also need to be scaled up.**
 - In these regions (where private finance is failing) alternative and additional financing support for homebuyers is one important solution to kickstart these ‘stuck’ regional housing markets.
 - Aggregating development across multiple communities to achieve a scale that meets government grant criteria and/or institutional investment attractiveness, is another solution being implemented across smaller LGAs.
 - Non-traditional building methods (eg. modular, offsite-constructed housing) may help to reduce supply costs. Delegates on the online chat noted there were still barriers and challenges for buyers seeking finance for these non-traditional builds. For example, legislation is still playing ‘catch-up’ across many states. The updating of this legislation in the relevant states was noted as a priority in the afternoon workshops.
 - Local communities can take action and make their own investments into local housing. Local banks and institutions can offer important support. There are many examples of injections from Community Banks to assist in their community’s housing needs, such as the development of Independent Living Units in Winchelsea Victoria (a case study included in the Discussion Paper), and the Henty Community Bank supporting the development of a disability respite centre.
- 3. Right across regional Australia there is a particular (and significant) shortage of smaller, medium-high density housing.**
 - Quite often this product simply does not get built – limiting options for downsizers, entry-level and lower-income locals, and visiting professionals. Key worker housing provided by businesses and government is one solution being implemented across regions to address this specific shortage.



4. Regional housing could evolve as an attractive asset class, should we find a means to package and aggregate attractive opportunities, where risk in particular is minimised for investors.

- For example, key worker housing in regional communities could be one area to explore, where public-private partnerships, longevity and certainty of tenancy exists, and accompanying infrastructure investment is certain.

5. There is a shortage in critical professions that needs to be addressed with both short-term, and long-term, solutions.

- The Planning Institute of Australia’s ‘State of the Profession’ report found that 43% of local governments in Australia had no planners on staff.
- The Australian Local Government Association’s Workforce survey found that 91% of local government respondents were experiencing a skills shortage in 2021-2022, with the top three occupations needed being planners, engineers, and building surveyors.
- The Association of Australian Certifiers 2023 workforce survey found that nearly half of the workforce is aged 50 and over, and many (across all ages) were looking to leave the occupation due to work-related stress.
- **What can we do in the short-term?**
 - Better utilise existing resources (planners) – for example, Victoria has ‘Regional Planning Hubs’ – groups of qualified planners who can be deployed to regions in need.
 - Ensure highly-skilled planning professions are used to their full skills and capabilities - rather than being tied up in simple administrative tasks.
 - We could also consider ways to support professionals (such as planners, surveyors and certifiers) in meeting their regulatory requirements without becoming burdensome on their capacity to deliver their services.
- **What about the long-term?**
 - We need to make these career pathways more attractive, and accessible to young and career-changing Australians, ensuring local tertiary pathways through VET and university are well-utilised (while ensuring quality of training is maintained).

Thank you to our panellists:

- Marnie Baker, Managing Director - Bendigo & Adelaide Bank
- Matt Collins, CEO - Planning Institute of Australia
- Mick Banks, Director - Banksia Building Pty Ltd, Orange
- Mary Delahunty, CEO - Australian Superannuation Funds of Australia
- Justin Hancock, CEO - Quilpie Shire Council



PANEL #3 MODERATED BY LAURETA WALLACE - EXTERNAL AFFAIRS DIRECTOR, RAI

REGIONAL PRIVATE RENTAL AVAILABILITY AND AFFORDABILITY

A broad cross section of experts unpack the state of play of the regions' rental markets and consider how to address the rental stock shortfall in regional communities, encourage investment in regional housing markets, and incentivise new and different tenancy models.

KEY TAKEOUTS

1. Informed decision-making as to where to build the new homes, and what type, across Australia is critical.

- Gathering and exploring the evidence and data (at a disaggregated level) to support both investment and policy decisions in housing is an important step to achieving targeted, place-based outcomes.
- Decision-makers need to consider the broader socio-economic and environmental impact of new homes in each place – not just a simple fiscal business case. This would bolster the case for investment in many rural and remote communities.

2. While short stay accommodation (SSA) can remove long-term rental stock in some regional communities, consider why they have been taken off the rental market.

- In many instances, the SSA market provides investors/landlords with a greater financial benefit. The SSA market is also perceived to face fewer regulatory and legislative risks – compared to increasing regulation and changing legislation that has occurred in the long term rental market.
- Consider the important role SSA plays in many regional communities – encouraging tourism, and housing key workers and visiting specialists.
- Seeking examples of successful key worker SSA? There are three seasonal worker builds on Kangaroo Island - one in a remote, private owned caravan park and two owned and operated by a community group (One built and one in planning). Bushfire recovery funding played a key role in enabling the projects.

3. Spare rooms are an untapped resource which could prove valuable in the short term.

Similar to the Central NSW case study in this Discussion Paper, another delegate shared details of a program in Lorne, Victoria:

The town has a very high number of second homes/short-term rentals and the very expensive real estate has effectively prevented any workers being able to live in town. The program has appealed to homeowners to share their houses - rent out a room and make space for workers.

Those interested in reading more about spare rooms, may be interested in this CEDA opinion article.

PROJECT SPOTLIGHT: COMMUNITY CONNECT IN SHEPPARTON, VICTORIA

Community Connect is a dedicated welcome service for key workers and professionals – ‘humans helping humans’, welcoming newcomers with a warm country hug and community support as they settle into the town.

Having now supported over 600 essential workers in their move to the community, housing has constantly remained a core challenge for the program – particularly in matching newcomers to their housing preferences.

When asked what type of housing they preferred in their move to Shepparton, only 4% of new arrivals expressed a preference for a free-standing home, meanwhile the majority sought a similar lifestyle and home in line with what they were familiar with; a smaller apartment, close to the centre of town, and their work.

Many movers have had to settle temporarily into accommodation they would not normally opt-in for – from caravan parks, to house sharing – in order to settle into their new job in the town.

This mismatch in housing supply and demand from professionals is working against the community – and their ability to retain these workers in Shepparton in the longer-term.

This is a missed economic opportunity for Shepparton, and other regions experiencing similar challenges – arguably, a larger cost to the economy and community when compared to the actual cost in building new and diverse homes now.

Thank you to our panellists:

- Edwina Brown, Principal, Yass Real Estate
- John Walkom, Director, Walkom Bros
- Kerren Crosthwaite, First Assistant Secretary, Commonwealth Treasury – Housing Division
- Linda Nieuwenhuizen, CEO, Committee for Greater Shepparton

PANEL #4 MODERATED BY GREG MULLER - EXECUTIVE DIRECTOR, NESTD

SOCIAL AND AFFORDABLE HOUSING AND HOMELESSNESS IN REGIONS

National advocates and regional champions explored how can we better support vulnerable households in regional Australia through access to social and affordable housing; how can we address the shortfall in affordable and social housing in regional communities; how can we support immediate responses to the heightened experiences of homelessness in regional communities; how can we shift our national values to housing as a human right?

KEY TAKEOUTS

1. Social and affordable housing is critical to the welfare of regional communities however it has not been adequately addressed in government housing policy.

- Across the country, the rental market is unaffordable to the majority of essential workers on median market wages. Anglicare Australia modelling has shown that, nationally, in 2023 it takes over 40% of the average wage to afford the average rent, whereas in 1980 it was less than 20% of the average wage to afford the average rent.
- 640,000 social dwellings are required to fulfill the current gap in the market and panel members were not convinced that the new housing policy and investment architecture could deliver those dwellings.
- Kasy Chambers suggested affordability challenges were primarily founded in taxation settings, such as negative gearing and capital gains tax concessions, which lead to viewing housing as a wealth generation asset, and not as a place for someone to live.

2. If regions don't have enough affordable and social housing, how do we produce more?

- There can be a scale issue in providing social housing in regions with Council for Homeless Persons (CHP) organisations primarily working in larger regions. The majority of people accessing social housing are on some form of social welfare which means that they will also need support in accessing other services in addition to housing.
- Innovative models of social housing are emerging. In particular, shared equity models are becoming popular so building developers can buy into social housing projects to fulfill their legislated social housing requirements.
- One-bedroom or two-bedroom houses are not common forms of property development however are essential to providing affordable housing in regions. Kit and modular homes are an opportunity to provide smaller houses into the regions as the lower construction cost can provide incentive for investment.

3. How should the HAFF operate regionally?

- Darren Mew outlined the context in which the Housing Australia Future Fund (HAFF) will be operating in Queensland, with about an even split of population living in cities compared to regions demanding at least 4,200 houses regionally on a housing per capita basis.
- Regional councils alone do not have the capability to handle the transaction complexities and costs associated with HAFF applications. Partnerships and aggregations of regional council HAFF applications will provide better odds for approval.
- The HAFF must address the underinvestment of regions.

Thank you to our panellists:

- Kasy Chambers, Executive Director - Anglicare Australia
- Karen Smith-Pomeroy, Chair - National Affordable Housing
- Carolyn Doherty, CEO - Argyle Housing
- Darren Mew, Executive Manager - BlueCHP- QLD SA & NT / Chairperson Q Shelter / QLD Housing Supply Expert Panel Member
- Tamika Smith, Founding Director – My Bella Casa / Executive Chair - Top 100 Women

The presentation by Kasy Chambers during this panel can be found here.

LEADERSHIP PANEL MODERATED BY MATT WORDSWORTH - MASTER OF CEREMONIES

STATE AND TERRITORY HOUSING LEADERS

State and territory governments are responsible for bringing much of the nation's new housing development targets to life. State-government elected and executive leaders shared how they plan to get the job done and what obstacles threaten to stall progress.

KEY TAKEOUTS



MICHELE ADAIR

Chair
Homes Tasmania

Tasmania has fared differently to the rest of Australia – its private rental market is growing while everywhere else, it is shrinking.

- This headline data can be misleading – aggregate statistics tend to be amplified in smaller markets such as Tasmania. An additional 50-100 homes can become visible in headline statistics – people applying the data should apply caution.
- Available rentals have grown 25% in Hobart, 15% in other regions with smaller bases.
- While this is encouraging, the caveat is that households are changing due to unaffordability. Adult children are moving back home with their parents, coupled with a slowing population growth, vacancies in the private rental market are beginning to increase.
- Changes in the rental market are also occurring with six-month leases coming to an end, and permanent rental housing being moved to the SSA market.

Importance of state role in housing planning;

- State governments play an important role in delivering infrastructure and connecting local communities.
- The current Housing Accord has the promise of the best level of working relationship.



THE HON. TIM MANDER MP

Shadow Minister for Housing
Queensland

Housing approvals are down 14.6% this year. With the Queensland state election in October, how will you fix this element of housing?

- Due to the decentralised population of Queensland relative to other states, the issue of housing has been exacerbated in regional and remote areas.
- The Queensland State Opposition seeks to harness the community housing sector, alongside federal funding from Housing Australia to provide more housing in regional and remote areas.

Regional Queensland councils have spoken about how difficult it is to build in remote Queensland. Should the State Government buy into remote housing projects more?

- The Queensland State Opposition is aware of these issues due to the parties' regionalised base. Housing development issues stem from labour and supply shortages that are exacerbated in the regions.
- Development projects need to be scaled up in the regions as individual councils do not receive the same traction as a consortium of councils working together. This will attract more workers, investment and consolidate the processes.
- The CHP sector should also be put to work generally in remote areas. CHPs should make use of the good tax arrangements and regulatory oversight they have been granted.
- Remote Aboriginal and Torres Strait Islander housing could be delivered in state partnerships with CHPs and not-for-profit providers.



THE HON. BRAD ROWSWELL MP

Shadow Treasurer
Victoria

Many suburbs in Geelong only record a couple of rental listings each. Why is this?

- The Victorian State Opposition suggests that Victoria maintains the highest property tax in Australia. This seems to make Victoria uncompetitive in attracting private sector investment from developers, with South Australia seemingly being Victoria's main competitor.

Transfer and Stamp Duty Tax

- Properties account for 53% of the Victorian State Government's income, and as it has the highest state debt of the nation, the government is naturally inclined to continue tapping into this market.
- The State Opposition has released a discussion paper on taxation and a primary recommendation is to consider incentivisation as opposed to imposing further taxation.

Victorian Short Stay Accommodation (SSA)

- In the view of the Victorian State Opposition, if individual investors want to invest into the SSA market, they should be allowed to. SSA taxes will make family holidays more expensive, and the state shadow treasurer is unconvinced that the modelling of a SSA tax will translate into more affordable rental properties.
- The Victorian State Opposition claims the state's Treasurer is looking to introduce a SSA tax, however it believes that defining SSAs in legislation will be difficult. Moreover, the SSA tax is similar to a pre-GST bed tax which the Victorian State Opposition does not recommend.

Lack of processing skills in regional councils and state process duplication

- In Victoria, regional councils are reporting a lack of skills available to facilitate planning processes and as a result there is a large backlog. What the LNP Victorian State Government used to do is send out a 'flying squad' to regional councils to help with the backlog of process approvals.

How can we introduce parameters around limiting the occurrence of land banking in regions?

- The Victorian Government is attempting to tax land banking as a disincentive. The Opposition has concerns with this approach, particularly in situations where a developer has purchased multiple lots and only has capacity to successively develop the lots, tax will be attracted despite the intention to develop.



MICHAEL WHEATLEY

Acting Head of Housing Portfolio
Homes NSW

Is the state government planning system impeding too much on housing development?

- Planning issues and the housing debate are connected. Currently the NSW Government is considering policy changes to unlock land and deliver more houses more efficiently. NSW is regarded for complex planning regulations and in the regions the processes are more complex with Native Title and biodiversity schemes.
- Homes NSW, a newly established body has developed strategic partnerships with other departments and organisations to provide housing across the state. The NSW Government is increasing self-assessment powers for Homes NSW and the Land and Housing Corporation to unlock land and approve houses faster.
- The current focus of the government is to provide housing where there is already infrastructure to ensure planning approvals aren't delayed.
- In regions, provision of infrastructure and land planning constraints can cause financial and challenge the unlocking of land. Homes NSW has worked with numerous councils, the CHP sector, and other organisations to unlock land providing a first-step for housing providers.

Aboriginal and Torres Strait Islander housing complexities

- The Aboriginal Housing Office (part of Homes NSW) currently owns 7,000 houses across NSW, with an additional 390 homes to be delivered over the next two years to provide additional housing.
- Homes NSW is looking to deploy more modular/kit/pre-fabricated housing to remote Aboriginal and Torres Strait Islander communities as an effective and fast housing provision. However, there needs to be change in building and planning regulation to use such housing measures. There also needs to be consultation with the Land Councils regarding Native Title claims and land development.

WHAT WE'VE HEARD FROM YOU IN THE AFTERNOON WORKSHOPS

WHAT DO WE WANT GOVERNMENT TO KNOW AND UNDERSTAND?

We must think long-term and more systematically about the future of regional Australia, and the nation.

- Housing must be embedded in project and infrastructure funding to support housing the project workforce, and enable longer-term housing for the community.
- We need to develop a National Population Plan to inform the development of housing and other infrastructure needed for communities of the medium- to long-term, right across Australia.
- The case for change in investing and supporting regional housing needs to consider increased productivity, and improved social outcomes, as both achieve a stronger economy across the nation.
- Value the broader socio-economic impacts of housing, above and beyond the fiscal business case.

One size does not fit all, and even in measures designed to support regional communities, the criteria and competition often leaves smaller regions prejudiced.

We need bespoke solutions for the right market settings experienced in different communities. We need to see targets for regional Australia, embedded in new housing policies, to ensure a balance is achieved in reaching ambitious targets set by our leaders.

- A feedback loop for policy settings across all government levels is critical, with transparent evaluation and community involvement. This is particularly so where regional communities find themselves in a 'blackhole' of policy and grant supports for their housing market scale, and needs.
- The root cause of housing challenges in many regional markets is the gap between development costs, and market prices (and therefore developer returns). Current state and federal policies are geared towards markets that have scale and scope, no market failure, and no resource constraints.
- Regions are not homogenous and housing policy must reflect specific regional needs rather than mimic metropolitan policy.

We each have a role to play.

We know what is needed – we just now need to work together to enable the knowledge, creativity and collaboration that local communities and local governments can deliver. That requires enabling capacity and resources through funding, and policy certainty for investor confidence.

- Foster partnerships between levels of government and industry to enable the aggregation of opportunities in a region to achieve scale and de-risk projects.

- This is particularly important for addressing the market failures in smaller communities, both in financing and the mismatch in cost to build and return on investment.
- Simplify processes and remove blockages across the housing market. Maintain continuity and certainty in regulation and legislation to encourage investment.

We must be deliberate in what houses are being built.

Demand-side levers will not get us to the point of overcoming the current challenges – we must get the enabling settings right now to drive supply of new housing and give investors confidence to proceed. But we must also be focused on ensuring new housing is being targeted to the right places, and the type of homes needed – ones that are affordable, and provide a more diverse 'mix' in size – this will require incentives for investors, as currently the numbers do not stack up.

- We must invest in the right type, and size, of housing – there are not enough smaller one and two-bedroom homes, and plenty of spare bedrooms. How can we encourage longer-term tenancies and stability through investor incentives and settings?
- We must assist regional communities in helping their homeless in the short-term, and invest in social housing in regional communities for key workers, First Nations peoples, and vulnerable community members.
- The CHP and not-for-profit sector must be part of the housing solution in regional Australia.

We must bolster the capacity of local government through additional funding.

Regional communities are feeling the pinch of housing pressures, with rough sleeping now an occurrence in communities that have rarely (if ever) experienced this before. To get ahead of this, and ensure communities continue to thrive as liveable, safe, sustainable places, local government needs funding support. A starting point would be to see the \$500 million infrastructure fund become recurrent, or to realise Dr Haines' advocacy for a \$2 billion fund dedicated for regional communities.

- Enabling infrastructure investment is critical to support regional communities growth into the future, alongside the construction of new homes. Water, energy, and key services must all support the addition of new homes, and residents.
- The HAFF must not only provide affordable regional housing, but it should also provide the supporting regional infrastructure or at least government should invest in essential infrastructure alongside HAFF operations. Both housing and infrastructure are economic levers and can provide a greater difference in regional areas.

SHORT-TERM OPPORTUNITIES - WHAT COULD BE DONE NOW TO ADDRESS THE CHALLENGES IN CONTEMPORARY REGIONAL HOUSING MARKETS?

While each question was discussed focusing on a specific topic area from the day's discussions, common themes and ideas emerged across each of the three topics. These have been summarised below:



HOUSING AND HOME OWNERSHIP



PRIVATE RENTALS AVAILABILITY AND AFFORDABILITY



SOCIAL AND AFFORDABLE HOUSING AND HOMELESSNESS

Unlock more immediate supply, through enabling settings for use and creation of secondary dwellings and spare bedrooms, and better utilisation of brownfields development.



- It would be beneficial for a local government to establish a service offering to connect key workers in the short-term to local spare bedrooms.
- Facilitate seasonal and short-term worker accommodation through simplified planning processes, while enabling longer-term rental housing when such accommodation is no longer required.
- Unlock immediate capacity through use of spare bedrooms, requiring more certainty and guidelines for homeowners in entering into boarding arrangements.
- Enable improved boarding regulations and outcomes through reform of existing tenancy legislation.



- Learn and expand on simplification of secondary dwelling planning and approval processes, to encourage building of secondary dwellings on underutilised land. The example of Victoria's recent reform was provided as a basis for learning.



- Utilise 'lazy' and unused Commonwealth land, or unused offices and industrial precincts for social and affordable housing

Consider targeted, regionally-based incentives to facilitate the desired outcomes.



- For example, incentives for the construction of smaller dwellings in those areas where there is an identified market gap; particularly in providing appropriate, accessible homes for downsizers in regional communities.
- Incentives for speed of delivery across the value chain, such as encouraging the timely development of land (and minimising land-banking) – this must also be balanced with maintaining quality and safety standards.

Several opportunities were identified regarding regulations on rental markets.



- Ideas such as rent controls, short-term rental accommodation taxes, and Airbnb taxes were all considered. Supporting younger people in rental accommodation was also suggested.



ULTIMATELY - WE MUST THINK LONG-TERM, AND BIG-PICTURE, OR WE WILL LAND IN THE SAME SITUATION IN 10 YEARS TIME!

GAME-CHANGING, SHORT-TERM OPPORTUNITIES

Common themes were identified by delegates as both implementable in the short-term, and making a considerable impact in regional communities – these are listed below:

Ensure a continuous feedback loop between communities and decision-makers, and provide greater grant awareness and support.	
	<ul style="list-style-type: none"> Improve education and accessibility to existing grant funding avenues and incentives that regional, rural and remote communities could access – while embedding a feedback loop to grant providers as to limitations of access. Simplify doing business – don't make it harder and embed feedback loops in new systems and policies.
Embed long-term thinking and outcomes in all housing and infrastructure projects, to enable improved community outcomes after the project's complete.	
	<ul style="list-style-type: none"> Embed affordable housing requirements in all new developments. For example, construction 'camps' could be strategically placed and serviced in a town, so as to enable sale of build-ready land lots once the camp is no longer required.
Invest in critical and social infrastructure alongside new housing, with funding that is dedicated for regional communities.	
	<ul style="list-style-type: none"> Expand infrastructure funding eligibility for small regional councils to get land development ready, and support local delivery through other incentives and grants (for example, easing existing barriers in development contributions, or finance).
	<ul style="list-style-type: none"> Invest in social infrastructure alongside housing, especially in the regions. Support for quarantined funding for HAFF and regional investment funding.
Facilitate emerging innovations across the value chain.	
	<ul style="list-style-type: none"> Facilitate a step-change in modern manufacturing methods, embracing innovation in construction such as off-site construction, 3D printing etc. Revise regulatory settings, such as financial and planning limitations, to promote innovative solutions that could bolster short-term construction, such as 3D printing, modular housing, and smaller off-grid homes.
	<ul style="list-style-type: none"> Investigate new innovative models of build-to-rent, rent-to-own, and co-op housing to provide better systems of affordable housing in regions.
Facilitate opportunities for public-private partnership models, enabling collaboration across levels of government and industry to resolve wider housing challenges.	
	<ul style="list-style-type: none"> Create mechanisms that enable economies of scale in smaller regional markets, through building on learnings of existing aggregated regional developments. Support the aggregation of housing projects across multiple communities in a region (or regions). This is expensive at a local level, but with the right supports in place, aggregation of project needs would work to address many housing challenges across smaller regional communities.







Consider tax reform, both at federal and state government levels, that would bolster a stronger housing market and address the inequities experienced in regions.

	<ul style="list-style-type: none"> Consider taxation reform to reduce barriers to investment and rezoning of land for housing, such as the windfall tax (a considerable disincentive for land rezoning for development). Explore opportunities for taxation reform for key worker developments, for individual businesses and aggregated needs – FBT adjustments and tax concessions could offset the mismatch between cost to build and home value.
	<ul style="list-style-type: none"> Consider the perverse incentives regarding the taxation concessions in private housing markets with negative gearing and capital gains tax. Build on learnings from state and local government measures to balance the short stay accommodation market and long-term rental market.
Support immediate workforce challenges through migration settings for occupations in critical shortage and encouraging careers in key professions across the construction industry.	
	<ul style="list-style-type: none"> Accelerate the visas of skilled migrants in key professions of shortage in regions of higher need, that are critical to the construction industry. Invest in the future construction workforce, by encouraging planning and construction pathways, supporting the industry to deliver services productively while maintaining balance in conditions and job satisfaction.
	<ul style="list-style-type: none"> Provide support to council planning operations through 'flying squads' of planners and essential operational workers to councils with extensive backlogs of approval work. Support TAFEs and tertiary education providers to train more planners and channel them towards areas of demand.



WHAT POLICY, INVESTMENT, AND INNOVATIONS WOULD CHANGE EACH REGIONAL HOUSING MARKET FOR THE BETTER?

Several themes emerged in discussing game-changers that should be considered in holistic planning and longer-term thinking:

	<ul style="list-style-type: none"> • Overall, better engagement and relationships between federal, state, and local government to ensure housing is being delivered efficiently and effectively to regional communities. • Invest in improved, transparent data surrounding regional housing markets and population to inform development and long-term planning.
	<ul style="list-style-type: none"> • Develop tested and accepted cost benefit analysis models that are inclusive of broader economic and socio-economic benefits of housing. • Deliver nuanced policy settings that recognise different regional market needs, and appropriate policy levers.
<p>Plan for the future of our regions.</p>	
	<ul style="list-style-type: none"> • Establish a plan for regional growth, encompassing community needs across the system – what is the critical infrastructure, housing, services and workforce needed, and how will stakeholders (across government levels, industry and the community) facilitate this?
	<ul style="list-style-type: none"> • Create greater consistency and accuracy in population projections and demographics.
<p>Empower local solutions by bolstering capability, resources and flexibility of local governments to respond to their region's needs.</p>	
	<ul style="list-style-type: none"> • Unlock potential revenue at local government level to contribute to housing and infrastructure needs.
<p>Influence the culture of housing and accommodation in Australia.</p>	
	<ul style="list-style-type: none"> • Introduce innovative models for housing proven successful in other countries (such as rent-to-buy models, build-to-rent housing, cooperative housing and key worker accommodation).
	<ul style="list-style-type: none"> • Have social and affordable housing actually set at 30% of income and consider these forms of housing to be social infrastructure. Further, decouple wealth investment from the human right of housing.





NATIONAL REGIONAL HOUSING SUMMIT 2024

CONTACTS AND FURTHER INFORMATION

02 62603733
INFO@REGIONALAUSTRALIA.ORG.AU

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