



## GREATER WHITSUNDAY HOUSING ROUNDTABLE REPORT

### EXECUTIVE SUMMARY

Greater Whitsunday Communities (GWC) and Regional Development Australia Greater Whitsundays (RDA GW) have partnered to deliver a Housing Project for the Greater Whitsunday region, overseen by a steering committee representing all housing sectors and the supply chain, to identify potential solutions for the housing issues facing the region.

The Housing Project inclusions are:

- A **Housing Roundtable** on 6 December 2022 to demonstrate to regional stakeholders that the Project has been initiated to develop a regional position regarding housing issues, and to develop the strategic themes that will be addressed at a larger Summit event in May 2023.
- A **research project** related to the strategic themes, providing baseline data to inform the Summit discussions and ensure that they can be solutions oriented based on evidence, including significant stakeholder engagement to validate research data.
- A **Summit** in May 2023 to identify potential regional solutions to the housing issues being faced in the Greater Whitsunday region.
- A **final report** that articulates the subprojects that are identified at the Summit, together with lead partners and potential funding sources.

The report relates to the outcomes of the Housing Roundtable on 6 December.

The Roundtable was an invitation only event and designed to keep numbers to less than 45 participants, to keep the conversation focused. A broad spectrum of stakeholders participated across the supply chain, housing sectors, commercial, economic development, community development as well as Local, State and Federal Governments.

A pre-roundtable survey was sent to participants and 18 people responded. Key findings included:

- The main problem relating to housing in the Greater Whitsunday Region concerns housing availability (especially affordable housing) and affordability.
- The economic prosperity and liveability of the region has attracted population growth which has caused housing demand to exceed supply, coupled with systemic shortfalls in housing stock growth in recent years, as well as home ownership being preferable to renting, all contributing to rental stock shrinkage.
- Supply has lagged demand in the Greater Whitsunday region for a number of reasons, primarily relating to building material availability and cost, workforce shortages, lack of confidence in the investment opportunity in our region and lack of Government foresight, especially concerning housing public servants and planning for the growing demand for social and affordable housing.

- Over and above advocacy for improved social and affordable housing and incentives, there are many diverse opportunities for the region to explore to be better prepared and resolve immediate and ongoing housing issues.

The Housing Roundtable was facilitated by Neil Glentworth, Managing Partner of DunneMedford, and followed the high-level framework of interactive scene setting followed by a workshop component. Audience participation, input and feedback was gathered using the PollEv tool.

## Scene setting

Key State and Federal Government commitments in relation to housing were shared.

The discussion then shifted to regional issues:

- Do we understand the “housing supply chain”?
  - Role of each stakeholder and issues within supply chain
- What is the components of housing?
  - Homeless, Public Housing, Emergency housing, etc.
- Solution thinking
  - Lack of collaboration on data – how can we use it together
- External Environment
  - Provide a granular picture for economy in next 5 years, including project pipeline and employment impacts
  - Why? To lower risk in decisions on housing provision
- Likely to be continued strong increase in rental demand, as well as demand for new stock
- Rules vs Guidelines for housing
  - Rule makers view as ‘fix rules’ vs implementers as ‘guideline’
- There are approximately 2,500 social housing dwellings across the 3 LGAs: 1860 in Mackay, 156 in Isaac and 487 in the Whitsundays
- 950 people are on the region’s register of need; they are under pressure because the private market is not meeting their need
- Disincentive for investment in rental properties
- Construction costs are prohibitive
- People cannot afford to pay the rentals that would encourage developers to invest in new stock

PollEv top regional issues:

- Construction sector skills shortages (5)
  - Exacerbated by migration to large projects down south (1)
- There has been a recent wave of new rental laws adopted in Queensland, this has turned the tables to a point where there are very few rights for the landlord and far too many rights for the tenant. This has caused many landlords to sell their rental properties or becoming very circumspect with tenants. (2)

## Housing Demand

- Rent rolls have dropped
  - Investors declined from 40% to 14% on rental book
- The new laws from 1 October have resulted in a drop in investors from down South
- Local investors also not investing
  - Not seeing long-term capital growth on rental property, and not investing anymore
- Significant drop in investment properties across LGAs

- Rental price increases have priced many employed people out of the rental market, exacerbating the homeless issue/demand for social housing
- Price of properties have increased resulting in profit taking (property sales) taking properties off the rental market
- There is the lack of tradesmen to fix up rental properties causing delays in properties being able to be rented
- Insurance is a huge issue affecting investment

## **Housing Supply**

- Key issue affecting housing supply is Stamp Duty which is duplicated – applicable to both the land and the home; it is a regressive tax
- NRAS was a good system implemented by the Labour Government; it made it attractive for landlords to rent properties and developers to develop rental properties; Government subsidised rentals for those in need; it would be good if this system was reinstated with a higher eligibility income
- It is necessary to streamline Government Services and look at what is stopping developments; there needs to be more collaboration
- Costs are also impacting supply, especially energy costs and the new Building Laws coming into effect in October 2023 – they will add additional costs to a new build
- There are opportunities to reduce cost by using local materials and renewable energy (solar)
- There is an opportunity to set mortgages for affordable housing

PollEv top housing supply issue:

- Housing diversity / mix of available housing types is limited

## **Role and Responsibilities (collaboration, co-ordination and supply chain)**

A panel discussion highlighted the following problems for the region:

- Not enough houses
- Helping the construction sector do what it does best – reduce red tape for the construction sector
- Lack of confidence in capital growth of properties in the region
- Mackay Regional Council subsequent response (refer Appendix 2 for statistics across the LGAs):
  - fluctuations in housing demand due to changes in economy (employment attracting migrants) and related household composition
  - rental stock reduction since 2020
  - housing product choice not matching smaller household demand (1 or 2 person household)
  - selling price point (land and house) has rebounded since 2017 and has become prohibitive to first time homeowner

The panel and participants discussed levers that could be used to make a difference as well as what gaps they believed there were in the housing situation in the region.

PollEv top thought relating to roles and responsibilities:

- Coordination / collaboration: The opportunity from today to continue to meet as a core group to help drive and keep housing and knock-on effects related to this on the radar

## Workshop Component

The PollEv tool was used to inform the discussions during the workshop component of the Roundtable.

### Issues specific to LGAs

Top issues for the Isaac:

- Bank finance challenges
- Lack of willing investors

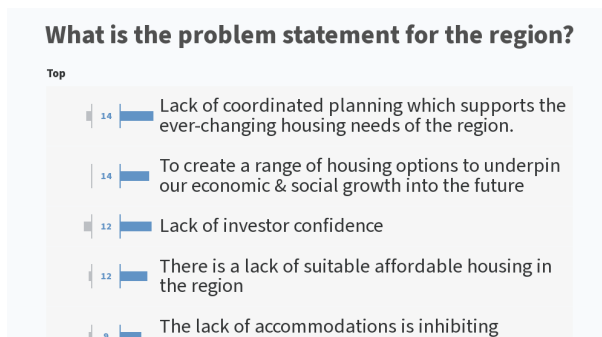
Top issues for Mackay and Whitsundays:

- Affordability
- Diversity

### Top core issues for the region:

- Lack of diversity in housing
  - Mismatch between type of household demand and available supply
- Lack of investor confidence
  - Scaremongering around coal ending in less than ten years panicking investment in region
- Lack of affordable housing
- Investment issues, finance and insurance

### What is the problem statement for the region?



### Participant ranking of the strategic themes:



*Availability* and *Diversity and Choice* tied as the number 1 strategic theme for the Greater Whitsunday region's Housing Project, followed by *Affordability*. These themes will guide the research and discussions at the Housing Summit in 2023.

## 1. BACKGROUND

Greater Whitsunday Communities (GWC) and RDA Greater Whitsundays (RDA GW) have partnered to initiate a Housing Project to identify potential solutions to the housing needs in the Greater Whitsundays at both a social and economic level.

An initial kick-off meeting of interested parties took place on 13 October 2022 to scope the Project and a steering committee was formed to oversee the Project delivery.

Considering the level of interest in the housing space with the Queensland Government's Housing Summit on 20 October 2022, the steering committee agreed that it would be opportune for the region to leverage that momentum and host a Roundtable event in 2022 to frame an agenda for a Summit in 2023.

### Purpose of roundtable

The purpose of the Roundtable is to demonstrate to regional stakeholders that the Housing Project is seeking to develop a regional position as regards the region's housing issues, which are likely to vary from many of those in SEQ.

It will:

- develop the agenda and discussion framework for a larger Summit in 2023
- identify the issues that need to be addressed and develop a framework for finding solutions at the Summit
- be an opportunity to educate participants about the roles of various stakeholders, including levels of government, in the housing space

### Purpose of the summit

The purpose of the Summit is to identify potential solutions for the housing issues facing the Greater Whitsunday Region which GWC and other stakeholders can then advocate for and seek funding for relevant projects to drive improved outcomes.

The Summit will leverage the Queensland Government's Housing Summit outcomes and help ensure the Greater Whitsunday region benefits from the associated policy changes and investment.

## 2. GOVERNANCE AND METHODOLOGY

GWC and RDA GW have partnered to deliver the Housing Project and together with other interested stakeholders, identified potential participants for the Project's steering committee. Representatives from the following stakeholder groups were invited to participate in the steering committee:

1. Master Builders Australia (MBA)
2. UDIA
3. HIA
4. Indigenous Housing (Girudala)
5. WIMHHAN
6. Connect Housing
7. Whitsunday Housing Company
8. Isaac Housing Trust
9. Developer
10. RDA
11. GW3
12. LGAs

13. REIQ
14. A Lender
15. A broker
16. Greater Whitsunday Communities

The inaugural steering committee took place on 31 October 2022, and the participants approved the Terms of Reference for the committee and the Project inclusions:

- A **Housing Roundtable** on 6 December 2022 to demonstrate to regional stakeholders that the Project has been initiated to develop a regional position regarding housing issues, and to develop the strategic themes that will be addressed at a larger Summit event in May 2023.
- A **research project** related to the strategic themes, providing baseline data to inform the Summit discussions and ensure that they can be solutions oriented based on evidence, including significant stakeholder engagement to validate research data.
- A **Summit** in May 2023 to identify potential regional solutions to the housing issues being faced in the Greater Whitsunday region.
- A **final report** that articulates the subprojects that are identified at the Summit, together with lead partners and potential funding sources.

The steering committee agreed the following relative to participation in the Housing Roundtable:

- Invitation only event
- Invitees ideally have “skin in the game” as regards the housing situation in the region
- One representative for collectives e.g. one representative from the Chamber of Commerce organisations, Churches, LGA planners and Neighbourhood Hubs and that they should survey their peers prior to the event
- Target 35-45 people

There was considerable interest in the Roundtable from a number of Regional Councillors, however, the steering committee agreed that, to keep the Roundtable conversation targeted and focused, only one Councillor from the three Regional Councils attend. The Summit will be the opportunity for broad-based participation by all Regional Councillors.

Invitees and participants included:

Name	Attended	Organisation
Amanda Camm	Y	State Member for Whitsundays
Andrew Willcox	Y	Federal Member for Dawson
Dale Last	N	State Member for Burdekin
Michelle Landry	N	Federal Member for Capricornia
Julianne Gilbert	Y	State Member for Mackay
Malcolm Hull	Y	MBA
Paul Thompson	Y	UDIA
Michelle Hooke	Y	Indigenous Housing (Girudala)
Diana Roper	Y	WIMHHAN; CASA
Toni Hamilton	Y	Connect Housing
Joanne Moynihan	Y	Whitsunday Housing Company
Chris Wright	Y	Isaac Housing Trust
Mitch Flor	Y	Developer (Tandy Group)
Rob Cocco	Y	RDA GW
Kylie Porter	Y	GW3

Cr. Karen May	Y	Mackay Regional Council
Cr. Gina Lacey	Y	Isaac Regional Council
Cr. Jan Clifford	Y	Whitsunday Regional Council
David McKendry	N	GWCoM
Peter McFarlane	Y	REIQ
Stephanie Cora	N	Neighbourhood Centres/Hubs
Dorne Wallace	Y	GWC
Carol Norris	Y	GWC
Antoinette Du Toit	Y	GWC
Adrienne Burke	Y	Department of Premier
Therese Donnelly	Y	Department of Communities, Housing and Digital Economy
Glen Cole	Y	Department of Communities, Housing and Digital Economy
Philip Grobler	Y	LGA Planning Representative
Daniel Wagner	Y	Isaac Regional Council Panel Representative
Christine Cuppit	N	Australian Banking Association
Jeff Adams	Y	Housing Industry Association
Kerri Payne	N	Property Broker – Lifestyle Finance
Collette Williams	Y	Bowen Gumlu Growers Association
John Baker	N	AgForce
Vicki Smith	Y	Chambers of Commerce
Julia Pitman	Y	Church communities in region: St Pauls; St Vincent
Sam Raciti	N	Mudth-Niyleta (Sarina Indigenous Housing)
Fiona Caniglia	N	QShelter
Al Grundy	Y	Mackay-Isaac Tourism
Teona Cousin	Y	Resource Industry Network
Kyli McCrae	Y	Bowen Collinsville Enterprises
Kayleigh Brewster	Y	Chances Café
Cynthia Simpson	Y	CQU
Heath Bonney	N	Mackay Sugar
Nick O'Meara	N	Thomas Borthwicks & Sons
Lynda Pollock	N	Anglo American
Leah Scheepers	N	BHP
Rick D'Amato	Y	Dalrymple Bay Coal Terminal
Graham Stritzke	Y	Gemini Homes
Ben Kerrisk	Y	Guardian
Josey Comerford	Y	Hugh Reiley Real Estate
Alan Zamparutti	Y	Strategic Media Partners
Mitch Binney	Y	Regional Insurance Brokers
Victoria Gracie	Y	Opteon Property Valuers
Mitch Innes	Y	Smart Transformation Advisory Councils
Neil Glentworth	Y	Facilitator
Tonia Wilson	Y	GWC Project Manager

*(Those highlighted were intended to represent a collective.)*

All participants were sent a survey prior to the Housing Roundtable to gather insights into the issues to be addressed.

Neil Glentworth, Managing Partner at DunneMedforth, was engaged to facilitate the Housing Roundtable because of his experience in hosting a similar event for 8 LGAs in western Queensland, his familiarity with regional housing issues, his familiarity with the Greater Whitsunday's economic situation having facilitated the Resources Centre of Excellence's LeadIn Transformation Symposiums in Mackay, Moranbah and Bowen, and having assisted GW3 with a number of visioning projects.

### 3. OUTCOMES

#### 3.1 Pre-Roundtable Survey

The core questions in survey were:

- What do you think is the housing problem in the Greater Whitsunday region?
- What do you think is causing demand to exceed supply in the Greater Whitsunday Region?
- What do you think has caused supply to lag demand in the Greater Whitsunday region?
- What problems do we think we can solve as a collaborative region and where should we focus our attention?

There were 18 responses to the survey.

Responses are summarised below.

##### Housing Problem in the Greater Whitsunday Region

- Shortage of all levels of housing and accommodation (10)
- Lack of rental accommodation (8)
- Housing affordability (7)
- Cost of rental accommodation (4)
- Construction costs and material (3)
- Constraining economic development (1)
- Land availability (1)
- Shortage of builders (1)
- Investment in social housing (1)
- Lack of housing diversity (1)
- Investment attraction in affordable housing (1)
- Lack of female boarding houses (1)

*Conclusion: Main problem relating to housing in the Greater Whitsunday Region concerns housing availability (especially affordable housing) and affordability.*

##### What is causing demand to exceed supply in the Greater Whitsunday Region

- COVID-19 and intrastate and interstate migration (11)
- Transient workforce creating demand for rental properties (4)
- Systemic shortfall in housing stock (4)
- Economic growth (3)
- Low unemployment and high workforce participation (3)
- Investment in social and affordable housing stock (3)
- Home ownership more attractive than renting (3)
- Workforce shortages in construction industry (2)
- Supply chain disruptions and price increases (2)



- Shrinking rental pool (2)
- Housing diversity (1)
- Airbnb impacting rental stock (1)
- Total reliance on the private sector to fill all housing needs (1)

*Conclusion: The economic prosperity and liveability of the region has attracted population growth which has caused housing demand to exceed supply, coupled with systemic shortfalls in housing stock growth as well as home ownership being preferable to renting, all contributing to rental stock shrinkage.*

What has caused supply to lag demand in the Greater Whitsunday region

- Building material availability and cost (9)
- Workforce shortages (6)
- Investors lack confidence / alternative more attractive opportunities (4)
- Availability of builders (4)
- Cyclical economy (3)
- Lack of Government vision (3)
- Movement of homes out of the rental pool/preferable to own property (2)
- Long lead times for new homes to be constructed (2)
- Cost of construction of rental housing (2)
- Building companies failing (1)
- Housing diversity, especially high-density housing (1)
- Government constraining supply, zoning issues (1)
- Cost of land (1)
- Red tape (1)
- Access to finance due to lending restrictions (1)
- Uncertainty of the resource industry (1)
- State Government housing for public servants (1)
- State Government investment in social and affordable housing (1)

*Conclusion: Supply has lagged demand in the Greater Whitsunday region for a number of reasons, primarily relating to building material availability and cost, workforce shortages, lack of confidence in the investment opportunity in our region and lack of Government foresight, especially concerning housing public servants and planning for the growing demand for social and affordable housing.*

What problems can we solve as a collaborative region and where should we focus our attention?

- Federal, State and Local Government advocacy (5)
  - More social housing (3)
  - Lobbying the state for funding for affordable housing projects (3)
  - Lobbying for a Shared Equity housing ownership scheme for first homebuyers
  - Lobby local governments for 'Facilitating Development' type incentives for land development during the construction cost crisis
- Better understanding our region's current and projected supply and demand (2)
- Work collaboratively across the supply chain (2)
- Less red tape in all processes of government (2)
- Broad system response to enable people at their level of need and capacity to access accommodation (1)

- Reviewing and amending planning regulations for low risk accommodation on farm (1)
- Providing producers with information of what accommodation options they can provide on farm (1)
- Identify available suitable land or vacant properties to build social/affordable housing (1)
- Short term, potentially non- permanent options for struggling families/individuals (1)
- Incentivise investment in a range of housing types & options (1)
- Corporate contribution to housing infrastructure (2)
- Train more apprentices in the building industry (1)
- Ensure the banks understand the economic outlook for the region (1)
- Short term affordable accommodation camps, not unlike we setup for miners (1)
- Strategically assess build to rent (and other) models underpinned by government and investment funds (1)
- Address material shortages by developing a prospectus of what materials are available ie. Gemini homes model (1)
- Developing a network of all sectors for future collaborations (1)
- LGAs develop factual and practical prospectus of land availability both infill potential and greenfield sites and explain constraints or rationale for either option (1)
- State and federal governments - lean in to helping regions access funds for place based solutions not just administrative grant processing (1)
- LGAs should be assisting existing affordable housing providers to remain viable through rates discounts (not just OSH properties) - the provision of affordable housing is not funded by any level of government and does not make any organisation a profit - it is a community service that not-for-profits cannot afford to shoulder for alone (1)
- Safe sleep space for people who are facing primary homelessness - keep people alive and safe in the short term (1)
- Female boarding houses - there are none in our region (nil known) (1)

*Conclusion: Over and above advocacy for improved social and affordable housing and incentives, there are many diverse opportunities for the region to explore to be better prepared and resolve immediate and ongoing housing issues.*

### 3.2 Housing Roundtable Discussions

The Housing Roundtable discussions followed the agenda below:

	<b>Responsibility</b>	<b>Time</b>
Introduction and welcome	Neil Glentworth	10:00
Acknowledgement of Country	Carol Norris and GWC, Chair, Cr. Karen May	10:10
Expectations of the day <ul style="list-style-type: none"> <li>• Reference survey feedback</li> </ul>	Neil Glentworth	10:15
Interview: Regional Development Australia Scene setting: Regional statistics <ul style="list-style-type: none"> <li>• Current Housing Status</li> <li>• Wages/ Salaries</li> <li>• Current and Future Economy and Infrastructure projects and aligned jobs</li> </ul>	Neil Glentworth Rob Cocco Therese Donnelly	10:30
Interview: Demand Issues	Neil Glentworth	10:45

<ul style="list-style-type: none"> <li>• Demand projections</li> <li>• Demand for social, affordable</li> <li>• Lack of supply</li> <li>• Human face presentation</li> </ul>	<p>Real Estate Agent: Ben Kerrisk, Guardian</p> <p>Kayleigh Brewster, Chances Café</p>	<p>15 minutes</p> <p>5 minutes</p> <p>10 min Q&amp;A</p>
<p>Interview: Supply Issues</p> <ul style="list-style-type: none"> <li>• State of play</li> <li>• Type and price range</li> <li>• Challenges</li> </ul>	<p>Developer: Graham Stritzke, Gemini Homes</p>	<p>11:15</p> <p>20 minutes</p> <p>10 min Q&amp;A</p>
<p>Panel discussion: Role of stakeholders</p> <ul style="list-style-type: none"> <li>• Government, including LGAQ</li> <li>• Real-estate industry (covering buyers and renters)</li> <li>• Developers, Builders – Construction Sector</li> <li>• Social Housing</li> <li>• Affordable Housing</li> </ul>	<p>Neil Glentworth</p> <p>Panellists:</p> <p>Rob Cocco</p> <p>Graham Stritzke</p> <p>Ben Kerrisk</p> <p>Dan Wagner</p> <p>Therese Donnelly</p> <p>Chris Wright</p>	<p>11:45</p> <p>45 minutes</p>
<b>LUNCH</b>		12:30
<p>Core, common and LGA specific issues</p> <ul style="list-style-type: none"> <li>• Facilitated session</li> </ul>	Neil Glentworth	13:00
<p>Workshop – Solutions and Summit Focus Areas</p> <ul style="list-style-type: none"> <li>• Practical things that can be done in the region to support the wider QLD Government agenda regarding potential solutions based on common issues across LGAs <ul style="list-style-type: none"> <li>○ What problems do we think we can solve and where should we focus our attention</li> </ul> </li> <li>• Confirm strategic themes for the Summit</li> <li>• Confirm data required to inform the Summit</li> </ul>	Neil Glentworth	13:30
<p>Closing remarks</p> <ul style="list-style-type: none"> <li>• Next steps as regards Summit</li> </ul>	Neil Glentworth	14:25
Roundtable Ends	Rob Cocco	14:30

### 3.2.1 Introduction and Welcome

Neil Glentworth introduced himself as facilitator, Managing Partner at DunneMedforth.

He acknowledged the MPs in attendance:

- Andrew Willcox, Federal Member for Dawson
- Amanda Camm, State Government Member for Whitsundays
- Julieanne Gilbert, State Government Member for Mackay

He acknowledged the Councillors in the room:

- Cr. Karen May, Deputy Mayor, Mackay Regional Council
- Cr. Gina Lacey, Isaac Regional Council
- Cr. Jan Clifford, Whitsunday Regional Council

### 3.2.2 Acknowledgment of Country

Cr. Karen May, GWC Chair and Mackay Regional Council Deputy Mayor, acknowledged the Traditional Owners of the land on which we were gathered, the Yuwi people, and their elders, past present and emerging.

Both Karen and Carol Norris, GWC Executive Officer, welcomed all attendees and reinforced the following key messages:

- The strong need for action in the housing space in the Greater Whitsunday region
- The Roundtable is designed to develop the strategic themes to be addressed at a Summit in 2023
- The intention of the Summit is to develop pragmatic solutions for our region's housing issues, working collaboratively to achieve greater impact together
- The Roundtable and Summit brings together a broad range of stakeholders to identify and solve the issues systemically
- There is great excitement to have both the commercial and social and affordable housing sectors involved, as well as economic development and community development organisations
- With all components of the supply chain working together we believe we can develop creative solutions that address issues across the commercial, affordable and social housing sectors
- GWC and RDA GW are partnering to drive this Housing Project forward They were pleased to be able to thank Dalrymple Bay Coal Terminal for also contributing to the cost of the Project

### 3.2.3 Scene setting

Neil set the scene in terms of the Federal and State governments' housing commitments announced recently.

Overview of the Federal budget from Oct 2022-2023:

- **A target of one million new homes under a Housing Accord;** including providing \$350 million over 5 years, for an additional 10,000 affordable dwellings to be delivered across Australia and its regional areas. States and territories will also support up to an additional 10,000 affordable homes, increasing the dwellings that can be delivered under the Accord to 20,000 nationally.
- **Investing in social and affordable housing.** The Accord builds on the Government's commitment to establish the \$10 billion Housing Australia Future Fund, which will support marginalised groups and frontline workers, including in regional Australia. The Government has committed that, in its first 5 years, returns from the Housing Australia Future Fund will support delivery of 30,000 new social and affordable dwellings nationwide. An additional \$330 million will help address acute housing needs in remote Indigenous communities and for veterans, and women and children leaving domestic and family violence. To complement the Housing Australia Future Fund the Government is expanding the remit of the National Housing Infrastructure Facility, providing access to up to \$575 million of existing funds to invest in social and affordable housing. This expansion will help unlock a projected 5,500 new dwellings across Australia, attracting institutional investment and accelerating the supply of housing.
- **Regional First Home Buyer Guarantee,** providing up to 10,000 places each financial year from 2022-23 to 2024-25 to support aspiring homebuyers in regional areas to enter the market sooner. Places under the Regional First Home Buyer Guarantee are available to



### 3.2.5 Regional Data

Neil interviewed:

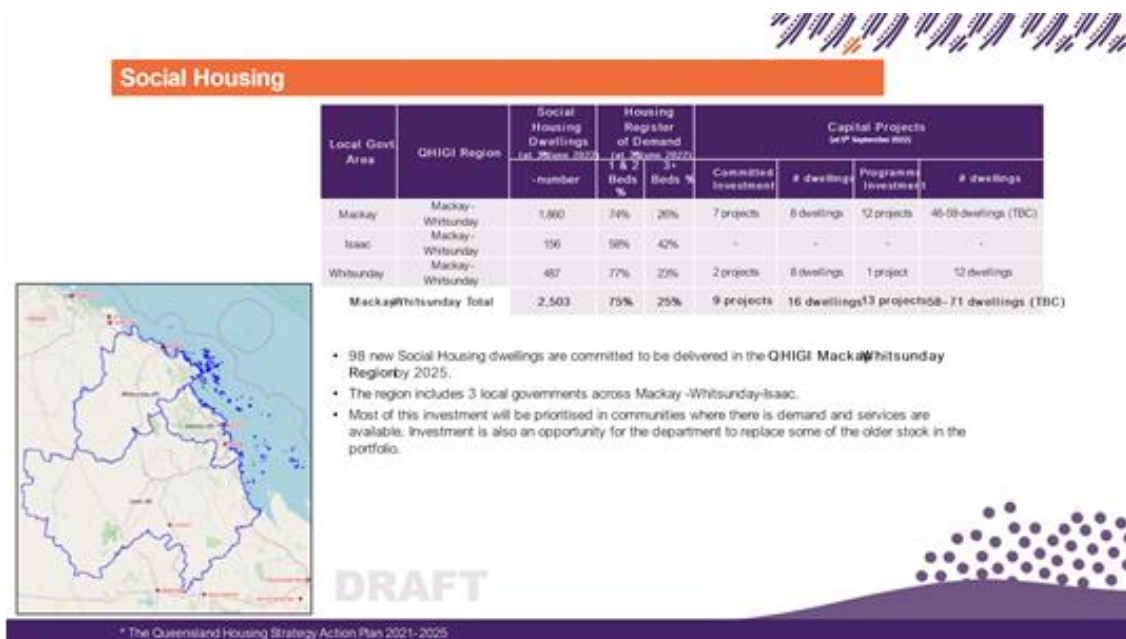
- Robert Cocco, CEO of RDA Greater Whitsundays
- Therese Donnelly, A/Regional Director, Queensland Government, Department of Communities, Housing and Digital Economy

Robert Cocco’s presentation regarding the current state of the region (refer Appendix 1 for slides):

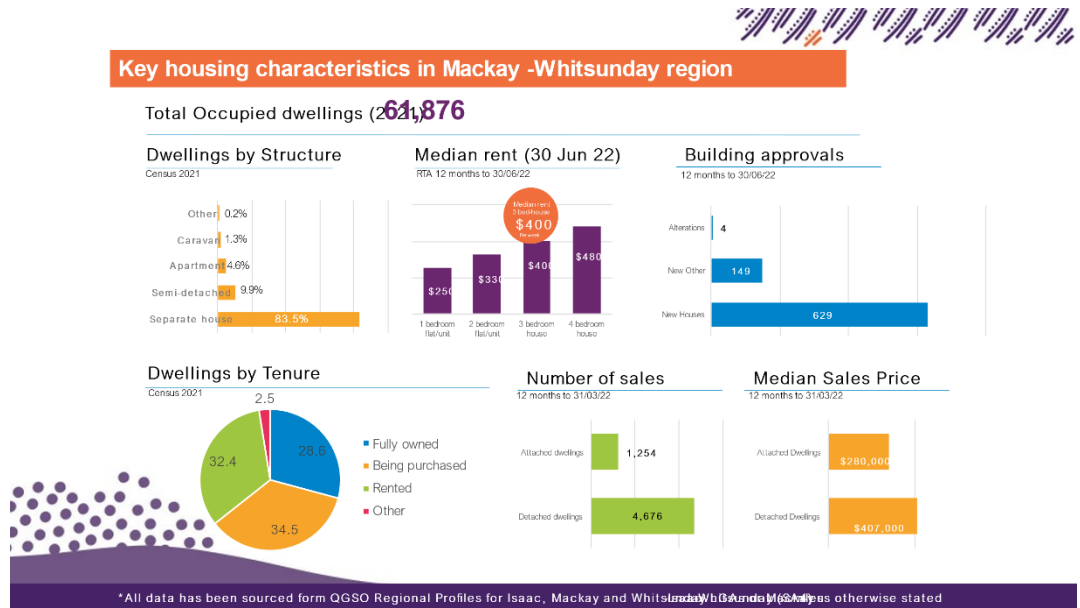
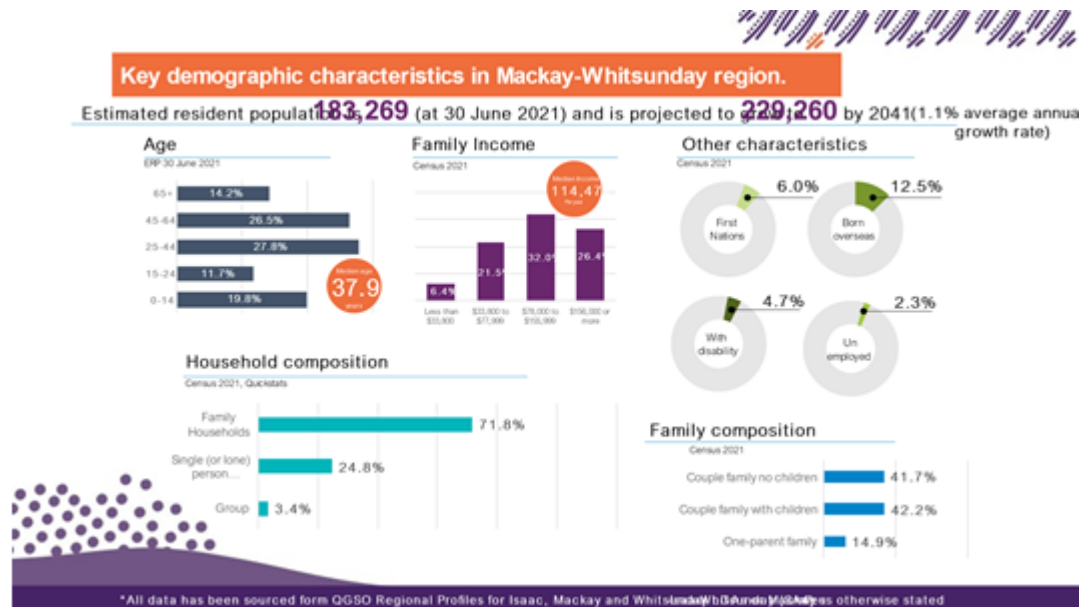
- Do we understand the “housing supply chain”?
  - Role of each stakeholder and issues within supply chain
- What are the components of housing?
  - Homeless, Public Housing, Emergency housing, etc.
- Solution thinking
  - Lack of collaboration on data – how can we use it together
- External Environment
  - Provide a granular picture for economy in next 5 years, including project pipeline and employment impacts
  - Why? To lower risk in decisions on housing provision
- Rules vs Guidelines for housing
  - Rule makers view as ‘fix rules’ vs implementers as ‘guideline’
- Local examples of looking at Housing?
  - i.e. Whitsunday Affordable Housing Strategy
    - Crisis housing, social rentals, affordable home ownership
    - 37% of income earners spend >30% on housing on WRC (note: < \$355 per week is regarded as low-income earners)
    - Target low and very low income earners

Therese Donnelly’s presentation highlighted the following key facts:

- There are approximately 2,500 social housing dwellings across the 3 LGAs: 1860 in Mackay, 156 in Isaac and 487 in the Whitsundays



These subsequently shared the Department’s population and demographic projections and housing characteristics for the region.



A startling figure is that 950 people are on the region’s register of need; they are under pressure because the private market is not meeting their need.

Q: What makes this region unique?

- TD: The demographic requiring social housing is changing; influx of people moving into the region causing a very tight rental market
- RC: The population data does not show a large change but over COVID the region did not lose as many residents as usual; legacy loss of stock in the market at a price appropriate for the existing population

Q: There is a perception that there is underutilised social stock, is this the case?

- TD: Maintenance and management of grounds is an issue causing delays; they are under pressure to reduce vacancy rates and are working with suppliers (QBuild) to reduce turnaround times; target is two weeks maximum

*Q: What does good look like?*

- RC: Increased volume of aged care residential dwellings; GW region has 8% less than other regions
- TD: Regular collaborative forums

*Q: Rental Laws have changed in Queensland – what are the implications?*

General discussion: disincentive for investment in rental properties; construction costs are also prohibitive; people cannot afford to pay the rentals that would encourage developers to invest in new stock

*“Over the past 12 – 18 months a large number of our “Mum and Dad” Investors, which make up the majority of most regional real estate businesses, have decided to sell their investor property. This has been an effective reduction in the number of rental properties in my office of 20.8% and is indicative across the offices in our region. In excess of 95% of these property sales have resulted in the investment housing stock being lost as the homes and units have been purchased by Owner Occupiers.” Peter McFarlane, Mackay Property Management Services*



Neil encouraged participants to share their thoughts on the regional issues using the PollEv tool.

#### Thoughts on regional issues

- Construction sector skills shortages (5)
  - Exacerbated by migration to large projects down south (1)
- There has been a recent wave of new rental laws adopted in Queensland, this has turned the tables to a point where there are very few rights for the landlord and far too many rights for the tenant. This has caused many landlords to sell their rental properties or becoming very circumspect with tenants. (2)
- High rents affecting workforce attraction and retention (1)
- Underutilisation of state housing (1)
- The specification levels of social housing is way above the normal house which increases the cost (1)
- Social housing shortage (1)
- NRAS has been phased out (1)
- Cost of construction materials (1)
- Personal market preference shifts over time to larger dwellings for smaller households (1)
- Home loan criteria. Eg post code restrictions (1)
- People cannot afford to pay the rent required to get the private sector to invest (1)
- Growing divide between income levels creating a 'class' of owners vs renters who will never get to earn enough to save for a deposit and pay rent (1)
- Rental properties untenable because no trades-people to repair (1)
- Lack of thought to demographic need (1)
- Lack of indigenous housing (1)
- Lack of hostel/ shared living accommodation (not mining camp) (1)
- Critical lack of crisis accommodation options (1)

### **3.2.6 Housing Demand**

Neil Glentworth asked Kayleigh Brewster from Chances Café to share the human face of the housing demand situation:

- Chances Café provides breakfast and lunch to people sleeping rough, and provides a place where they can come together, charge phones and get off the street
- She sees up to 60 people a week
- Currently there are 9 to 10 new people coming in each week, who are newly homeless
- Even people who are employed are presenting for help because they cannot afford rental properties or there is no availability of rental properties
- People from other regions even travel to the Greater Whitsunday region in search of housing
- Kayleigh shared a few case studies highlighting the difficulties homeless people face including not having a place to store their belongings (so they do not get stolen), access to medical care and vulnerability to abuse
- There is no shelter available for people with pets, adults with children and no women's boarding shelter in the region

Neil then interviewed Ben Kerrisk from Gardian Real Estate regarding the demand issues facing:

- Rent rolls have dropped
  - Investors declined from 40% to 14% on rental book
- The new laws from 1 October have resulted in a drop in investors from down South
- Local investors also not investing
  - Not seeing long-term capital growth on rental property, and not investing anymore
- Significant drop in investment properties across LGAs
- Rental price increases
- Trend: people with high school kids usually migrate to Mackay from the interior; they rent for a small period, and then buy a home

*Q: What is the pricing situation as regards rentals?*

General discussion: they are rising; demand driven; price of properties have increased resulting in profit taking (property sales) taking properties off the rental market; there is a concern about long term capital growth in the region, hence the profit taking behaviour

Malcolm Hull, Master Builders Association, highlighted the lack of tradesmen to fix up rental properties as an issue.

Michelle Hooke, Girudala, highlighted the insurance issue, where their premiums have gone up 50%. Many of the Aboriginal and Torres Straight Islander members that they support are employed but on low incomes. There is a lot of couch surfing. Stock is vacant too long because of a lack of tradespeople.

*Q: If we could wave a magic wand, what would we ask for?*

- BK: More investment in the region.
- KB: More housing, more shelter accommodation, less restrictions and more support.

Neil asked the Roundtable participants to share what they believe the housing demand issues are using the PollEv tool.

### What are the housing demand issues?

- The out of town builders and investors have caused enormous problems with their building practices or lack of (1)
- Post-covid lifestyle moves to region from southern states (1)
- Banking and finance restrictions in resource communities (1)
- The uptake in short term accommodation has impacted the rental market (1)
- Access to trades to maintain and renovate existing stock (1)
- Commercial return from dwelling development and sale is not attractive relative to other investment returns and capital growth risk is seen as poor- based on perception of heritage industry (1)
- A change of mindset by local and state governments, as well as property owners, about what are some alternative housing options. For example, can we repurpose existing buildings, can we encourage people to co-habit, can we incentivise affordable housing development (1)
- Low yields on development of smaller affordable housing types (1)
- Affordable options limited (1)
- Housing investment by developers is low in the GW region (1)
- Complete supply chain, planning time constraints, finance, cost blow outs, insurance costs, labour shortages (1)
- Changes in housing demand is not well understood; last 3-year period saw increase in single person rental need - housing stock is not matching household composition demand (1)
- Lost 8% of rental stock in Mackay region within 12 months as landlords sold off (1)
- How can we involve those corporations who are making BIG \$\$ from this region in providing housing as their social legacy? (1)
- How do we align the mindset of private property wealth creation to meeting the market need? (1)

### **3.2.7 Housing Supply**

Graham Stritzke from Gemini Homes shared his insights:

- Focus is residential housing; Gemini Homes has been operating since 1987
- Work hand-in-hand with developers
- They are a wage-based employer to help ensure quality outcomes
- Key issue affecting housing supply is Stamp Duty which is duplicated – applicable to both the land and the home; it is a regressive tax
- NRAS was a good system implemented by the Labour Government; it made it attractive for landlords to rent properties and developers to develop rental properties; Government subsidised rentals for those in need; it would be good if this system was reinstated with a higher eligibility income
- It is necessary to streamline Government Services and look at what is stopping developments; there needs to be more collaboration
- Costs are also impacting supply, especially energy costs and the new Building Laws coming into effect in October 2023 – they will add additional costs to a new build
- There are opportunities to reduce cost by using local materials and renewable energy (solar)
- Recommends setting mortgages for affordable housing

Neil asked the Roundtable participants to share their thoughts relating to the housing supply issues using PollEv.

#### What are the housing supply issues?

- Housing diversity / mix of available housing types is limited (2)
- Does everyone need a house, shed and side access? Would some higher density housing help? (1)
- On costs and costs generally (1)
- Is there enough land ready to go? (1)
- Market history indicates it hard to move high density housing in regions- maybe views have changed but the data does not support strong success (1)
- Over incentivisation of the upper ends of the market and under incentivisation of the lower end (1)
- Affordability has many levels and concerns (1)
- Does the product always have to be a new build? How can dis-used commercial property be re-purposed & encouraged? (1)
- Is there any issue with land supply? (1)
- The complete absence of government at all levels taking responsibility - while we need to work on collaborative solutions, we also need to ensure that those with responsibility are held to account (1)
- Early today we heard 900 looking for social housing- with nothing available (1)

### **3.2.8 Roles and responsibilities**

Neil facilitated a panel discussion relating to the roles and responsibilities of various stakeholders.

Panellists included:

- Rob Cocco, CEO RDA GW
- Graham Stritzke, Gemini Homes
- Ben Kerris, Gardian Real Estate
- Dan Wagner, Isaac Regional Council
- Therese Donnelly, Queensland Department of Communities, Housing and Digital Economy
- Chris Wright, Isaac Housing Trust

*Q: What is the housing problem?*

- Not enough houses
- Helping the construction sector do what it does best – reduce red tape for the construction sector
- Lack of confidence in capital growth of properties in the region
- Mackay Regional Council subsequent response (refer Appendix 2 for statistics across the LGAs):
  - fluctuations in housing demand due to changes in economy (employment attracting migrants) and related household composition
  - rental stock reduction since 2020
  - housing product choice not matching smaller household demand (1 or 2 person household)

- selling price point (land and house) has rebounded since 2017 and has become prohibitive to first time home owner

*Q: What is the lever that could be pulled to make a difference?*

- Change the perception of the region to improve investor confidence; this starting to happen with GW3's delegations to Brisbane and Canberra where they are starting to see a more balanced conversation
- Land supply is keeping up with growth, but the mix of dwellings developed might not be right for the various cohorts
- There are very distinct issues at a commercial level and at the affordable and social housing supply level

*Q: What incentives could be provided to improve the housing crisis?*

- Depreciation and reducing taxes
- Use jobs growth figures to inform housing demand projections and developer decision making
- Cannot wait for government
- Change the narrative about the region; 3 LGAs have nuanced issues and each can benefit from learning from each other
- Attract investors
- Cut red tape

*Q: What gaps exist*

- Not enough diversity in housing options; you can only hold on to older members of our community if there are appropriate options available
- Creating pathways to downsize into smaller dwellings
- Aged care – demand of 1,800 dwellings in the region
- Data about the region – what does our build rate need to be now and over the next 20 years? We need to understand the quantum of demand
- Councils have reduced lot sizes but there has been no take-up; financing availability (in the Isaac you need a 30% deposit)
- Census data shows that millennials make up the largest cohort in our population (40 years and younger) and there may be a change in what the demand is based on generational shifts; they may be looking for a different type of house to what we expect
- The issue with units relate to body corporates and insurance, which can be prohibitive; existing units are undervalued because of insurance
- The new building laws coming into effect in October 2023 will add between \$15,000-\$25,000 to the cost of building a house (access and energy requirements); these increases also apply to renovations
- We should not just come together at a time of housing crisis; we need to prepare as a matter of “business as usual” not just in times of crisis
- State planning has no commitments in relation to affordable housing
- We need better data, understanding what the demographic wants and then let the market respond; there is a knowledge gap relating to what options are available
- It would be good if regions had more flexibility in terms of allocations for infrastructure
- The idea of youth housing options was discussed – not camps but fit for purpose youth accommodation options; youth homelessness is growing – 30% accessing support

- We need to acknowledge that there is discrimination in the supply of housing solutions – race, people with pets, people with children
- There is not enough emergency and crisis accommodation
- There are misconceptions relating to indigenous access to finance; the dynamics for indigenous communities are different – living with extended family resulting in the need for a larger dwelling; homes also need to be designed to suite the climate
- It was noted that it is 10% more expensive to build a house in Mackay than in other regions in Queensland; it is 25% more expensive in the Isaac
- QBCC changes have resulted in many small builders closing and they are the ones that train apprentices
- Insurance is a very big issue

Neil asked the Roundtable participants to share their thoughts relating to roles and responsibilities using PollEv.

#### Roles and responsibilities

- Coordination / collaboration: The opportunity from today to continue to meet as a core group to help drive and keep housing and knock-on effects related to this on the radar (2)
- The narrative around the region needs to change (1)
- If coal is "on the nose" for investors, doesn't that strengthen the argument for those corporations to accept they have a social legacy obligation. Housing is a social legacy (1)
- Local groups and local government should work out exactly what's required and state and federal government should help to enable the strategy and also help to pay for it (1)
- While State & Federal initiatives are good medium to long-term responses, to help solve immediate issues the responsibility sits with local govt, local business, community sector & broader community for place based actions (1)
- Demand exceeds supply (1)
- Aged care options (1)
- Housing affordability (1)

### **3.2.9 Workshop Component**

The PollEv tool was used to inform the discussions during the workshop component of the Roundtable.

#### Issues specific to LGAs

Isaac:

- Bank finance challenges (4)
- Lack of willing investors (2)
- Few housing options for older residents to allow them to stay in their communities
- Lack of market information for investors
- Loss of population and movement from inland to coast
- Cost increase due to mining area
- Limited rental supply driving prices well above affordability for non-mining workforce
- Racism
- Few builders / lack of competition in construction sector

- Need to be more proactive in developing housing vs other infrastructure
- The view is everyone is in mining and making big bucks. This is not the case.
- Emergency and crisis issues across region

Mackay:

- Affordability (2)
- Diversity (3)
- New life needed in existing City Heart to bring a residential population
- Cost of insurance
- Perception of coal in Mackay
- Loss of rental stock - increase in single persons looking for rentals and showing up on Housing Register
- Lack of seasonal housing for the crushing
- Racism
- Single/double basic affordable rentals - long and short term
- Safe areas for homeless.
- Massive waiting lists for most services in Mackay puts people off
- Emergency and crisis issues across region
- Attracting and retaining skilled staff in service industry is a worry due to lack of affordable housing- cyclic issue

Whitsunday:

- Affordability
- Diversity
- Lack of accommodation options for PALM scheme workforce, working holiday makers and skilled migrants
- Loss of population and movement from inland to coast
- Racism
- Lack of accommodation for workers in the ALL industries and lack of council initiative to take advantage of opportunities when they arise to try and solve these issues. Developers are essentially chased away by the local council
- Aged accommodation options
- Lack of accommodation in all sectors and in all price ranges
- Lack of awareness of what agribusinesses are allowed to do in relation to on-farm accommodation solutions. The need for a factsheet to be developed by local government to share requirements
- Data suggests much higher % of population with challenges regarding low income and general housing affordability
- Emergency and crisis issues across region
- Attracting and retaining skilled staff in service industry is a worry due to lack of affordable housing- cyclic issue

Core issue for the region:

- Lack of diversity in housing (5)
  - Mismatch between type of household demand and available supply
- Lack of investor confidence (4)

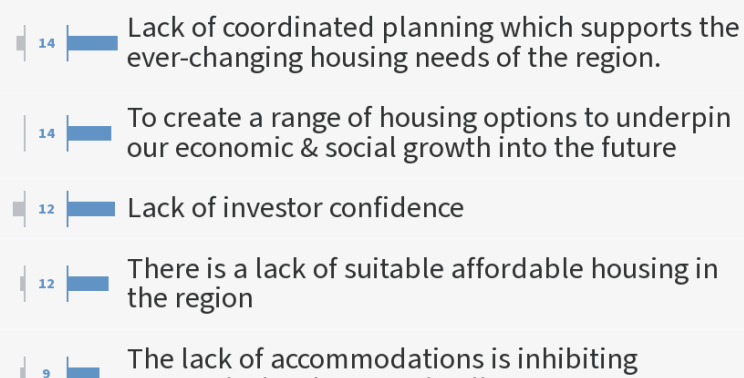
- Scaremongering around coal ending in less than ten years panicking investment in region
- Lack of affordable housing (4)
- Investment issues, finance and insurance (3)
- Long term focus on housing as an issue / opportunity. Let's plan always - not just in 'crisis'.
  - Lack of collated shared data - where are the gaps, what are our priorities (2)
- Emergency and crisis accommodation for both genders (2)
- Skills shortage in construction
- Cost
- Tenant ability to sustain tenancy
- Govt only focus on social housing and affordable housing isn't on their agenda as a responsibility
- Can affordable housing exist in newer suburbs
- Housing is a socio-economic issue and should be worked on collaboratively by both social and economic development
- The new NCC building requirements for energy efficiency to be implemented as of the 1st of October 2023. This will be a substantial cost to new housing and larger renovations
- For finance, bundle the loans together in the regions, securitise the loans then sell them off as a bundle
- Will the government fund the cost of risk to investors of new rentals laws
- Lack of initiative
- Energy is compacting all facets. Materials to build a house/fuel - transport for contractors to commute. Material transport to regional areas
- State Govt current costs- stamp duty above 500k
- What is our expectation of the big corporations to provide or contribute to housing solutions as a social legacy
- Define what we mean by affordable housing, then validate the SA1 scale and locations for need
- The region's marketing and storytelling
- Lack of incentive to encourage further investment from small mum & dad style investors - government grants similar to NRAS in the past
- Discrimination - race; women; men with kids; women with kids; people with pets
- Market forces have seen some investors move to place accommodation into holiday let reducing rental pool
- Holiday accommodation - long term stays not secure
- Understanding demand
- Changing some buyers expectations on what is desired vs what is affordable
- Where housing is available and affordable, social infrastructure is lacking

What is the problem statement for the region?



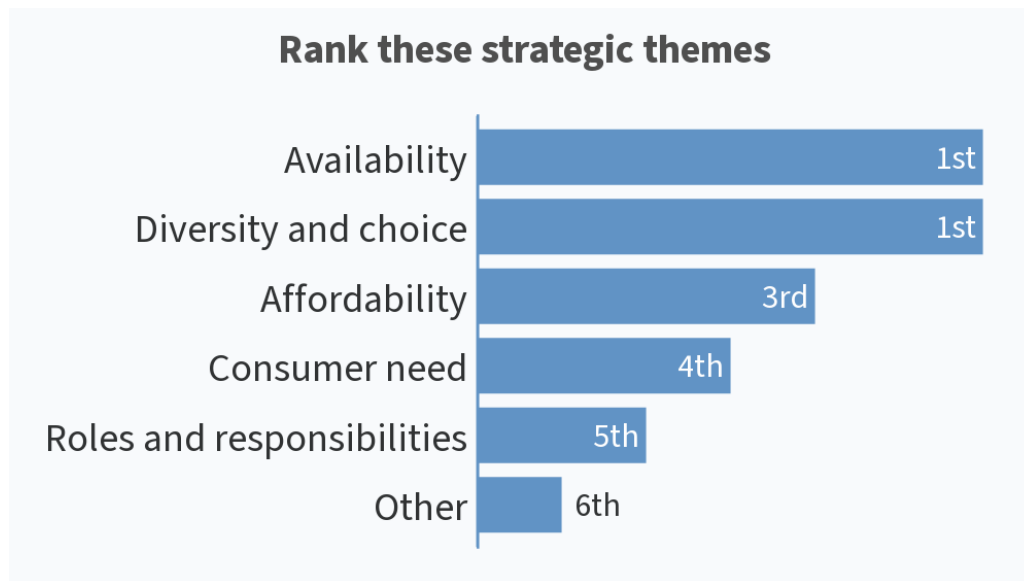
## What is the problem statement for the region?

Top



- Lack of coordinated planning which supports the ever-changing housing needs of the region (14)
- To create a range of housing options to underpin our economic & social growth into the future (14)
- Lack of investor confidence (12)
- There is a lack of suitable affordable housing in the region (12)
- The lack of accommodation is inhibiting economic development in all sectors (9)
- There is not one entity that holds overall responsibility for considering the outlook for the entire regional housing system (9)
- Lack of collaboration and sharing of innovation and knowledge across the various stakeholders (8)
- Costs of home construction, finance, management and maintenance inhibiting investment in region (8)
- Lack strategic thinking and planning for region's specific housing issues right now and into the future (7)
- Housing options that meet the demand across the continuum of need (5)
- Affordable short and long term housing that caters for a variety of cultures, families, investors and migration all workers to sustain our region (5)
- Lack of affordable housing options to meet the demand and demographics of a diverse region (5)
- Pathways to move from social into affordable and then private home (5)
- Rental stock availability (4)
- Growing disparity in quality of life between homeowners and non-owners (3)
- How do we decide where we build affordable housing and what impacts will it have on our area (1)
- Lack of housing sector understanding and agreement across the value chain on what are the issues and their priority and what the solutions are - this is an ongoing need for focus and solutions development (0)
- Pathways to downsize (-1)

### Rank the strategic themes:



### What did we miss?

- Supply chains
- Communities lead, government follow
- Impact of coal prices
- Place based solutions. Affordable housing in Greater Whitsundays is different to affordable housing in West End
- Documentation of the qualitative data to challenge the raw quantitative data on the scale of the housing challenge
- Tenant exploitation
- State government employees housing ie police, ambos, teachers, health. Appears state now relies on private market where they used to build their own
- Unreasonable expectations
- How and who will collate all the pieces of the pie
- Consumers expectation of a large house
- Why are the big corporations missing from the conversation?
- Unexpected disasters e.g cyclones, pandemics fires
- Alignment of growth and ability of infrastructure to meet demand
- Insurance cost
- Corporate investment in housing and accommodation for workforces exacerbating supply for general market
- Tradies & builders move to where the disasters are
- Are we trying to sustain what we have always done or is it time to take some different steps to rethink how people get housed
- Skilled local workforce
- Qbcc unreasonable requirements to the industry
- Consider govt based NQ Insurance cover

### Are there any quick wins?

- Containers convert to houses (2)

- 65-68% of homes have 2-3 bedrooms spare on avg- options to go locate people
- Bett
- Adopt a worker - Port Douglas example
- Better together housing type models for all demographics
- Continuing to lobby all levels of government in relation to red tape and new requirements
- Conversion of existing, under-utilised buildings to residential accommodation
- Storage facilities for homeless people
- Pop up solutions, tiny villages
- Remove stamp duty
- Utilise available govt owned land with portable housing like demountables
- Remove the strata arrangements
- Map under- utilised housing assets
- Different building materials
- Collate info from Graeme S and co to identify key opportunities and marketing messages - shift from existing to new, accom for farmers/businesses etc
- Campaign for the region/ promote investor confidence
- Create a formal forum for continued and ongoing dialogue across all industries
- How many homes are vacant in each LGA- link these and availability
- Leverage this regional momentum to get commitment for Federal and State housing ministers to attend Summit with their key advisors

#### 4. NEXT STEPS

GWC and RDA GW are in the process of securing partner funding for a research project to gather the data alluded to in the Roundtable discussions and validate this data with robust stakeholder engagement. This “evidence” will then inform a Summit that will take place in 2023 (date TBC).

*With thanks to Dalrymple Bay Coal Terminal for partnering with GWC and RDA GW in this Housing Project.*





# Greater Whitsunday Region Housing Roundtable

Observations and Discussions



An Australian Government Initiative



Regional  
Development  
*Australia*

GREATER WHITSUNDAYS

# Observations – to help guide thinking and discussions

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- Housing Sector - integrated and complex supply chain
  - Like any supply chain made up of buyers, sellers, financiers, developers, brokers, facilitators, policies, regulations and so on.
  - Like any supply chain it is impacted upon by both internal and external factors and activity.
  - Despite the Housing sector being an integrated supply chain – it in the main operates within isolated components of the value chain - each component seeking to maximize return - as a result value and opportunity is left on the table.
  - Solutions because of the integration across a supply chain are complex - you pull on one lever and it has positive and negative consequences in other parts of the value chain.

# What do we mean by a focus on housing

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- In the context of Greater Whitsundays Housing, we are referring to
  - Homelessness
  - Emergency Crisis Accommodation
  - Public Housing
  - Community Rental Housing
  - Private Market Affordable Housing
  - Private Market Rental Housing
  - Private Ownership
- Each of the above sectors within the housing industry has defined supply chains and participants - solutions for one may not suit all but equally aspects of solutions will share some commonality and benefit.

# What is the focus

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- We are focused on activity, challenges and solutions.
- Solutions are often place based and have nuances - however they also share common aspects as well.
- The desire is to understand the place-based issues and develop solutions that are local in delivery and benefit but where the solutions can be aggregated toward regional advocacy and collaboration.
- We seek solutions that are spread across 3 time periods
  - 1-2 years
  - 2-4 years
  - 4 years and beyond
- Solutions can be programs, projects or policy aligned.



# Solutions thinking - based on observations and discussions

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- As an integrated supply chain, the housing sector (and its participants) seeks identification and implementation of solutions to overcome housing short fall - housing short fall is not a new phenomenon in the region - despite this there has never been to date a collaborative approach to housing solutions - one where stakeholders actively collaborate across the value chain and with government.
- There is currently no ongoing platform and structure to have regular dialogue across stakeholders and no shared collaborative intent across stakeholders in the housing supply chain.
- There is limited aggregation of data and knowledge that could support developing a clear understanding of the issues and solutions – despite this each part of the supply chain has significant data and knowledge – that could support proactive decisions.





# Further Observations

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- External Environment
  - As with any supply chain the fundamentals of housing supply (all forms) is a manifestation of supply and demand.
  - Investment to support housing growth is about risk and reward and managing risk to ensure reward is obtainable.
  - Demand is very much aligned to the regional economy and regional development - we have data and knowledge aligned to planned regional development - especially projects/infrastructure over \$1M - this knowledge can be 4-5 years in advance of actual development - **is this information shared? – can it be shared? – would sharing this knowledge better position housing development and investment?**

# Further Observations

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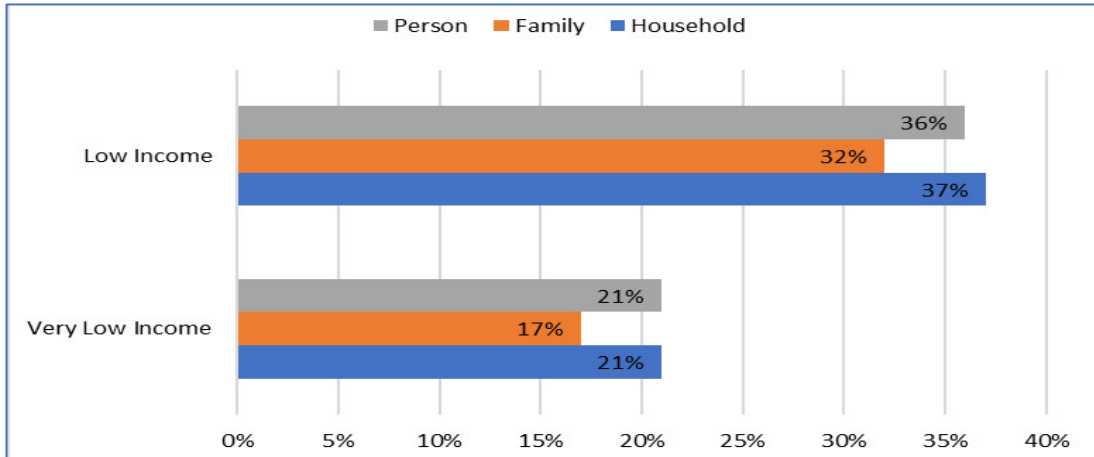
- Rules v/s Guidelines - there is a fundamental divergence in the core values and understanding of housing legislation, policy and approvals process -
  - stakeholders in the development and sales side of the industry see these process as being guidelines around which pragmatic solutions should be explored to support housing development and offering – maybe or grey area response
  - regulators and policy managers see the arrangements being stringent rules that are applied – yes, no / black and white response
- Housing solutions will require stakeholders to come together to agree on aspects of housing legislation, policy and approvals process and what is black, white and grey and where actions seek active solutions and new thinking processes.

# Some examples of opportunities thinking



- What would be the response from the Housing Sector - would it not be great to have data, knowledge and confidence 4-5 years in advance regarding the regions socio-economic position and trend, commodity projections, population projections, consumer demand and expectations known and understanding of major infrastructure projects coming along the pipeline.
- What if I told you we already have most of this data and knowledge
  - Does having this type of information provide more confidence and reduce risk for housing development and investment.

# Some examples of opportunities thinking



## Low Income and Very Low-Income Percentage of Whitsunday LGA region

Category	Low		Very Low	
	Per annum	Per week*	Per annum	Per week*
Person	\$8,549	\$164	\$5,343	\$102
Family	\$18,483	\$355	\$11,552	\$222
Household	\$17,921	\$344	\$11,201	\$215

\*Rounded down to the nearest whole dollar amount.

## Affordable Accommodation Whitsundays Region for Low or Very Low Income Households

- What is affordable housing
  - crisis housing
  - social rental housing
  - affordable rental housing
  - affordable home ownership
- What do we mean by affordable housing
  - A general rule is that housing is 'affordable' when it costs no more than 30% of a household's income.
    - A person or household is 'low income' when their income is only 80% of the median income.
    - 'Very low income' is measured at 50% of the median income.
  - It is households in these income brackets which most often experience housing stress and need access to affordable housing.
- Given the potential demand volume for affordable housing - is there a commercial opportunity to provide product ?

# Some examples of opportunities thinking

- Finance /Lending and Risk

- Discussions have outlined the high risk for property and housing investment and development – effectively large sums are invested with no firm guarantee of recoupment and need to front end large investment for return later on.
- Given the regions history and default rates resulting from commodity price fluctuations, pandemic etc.. Region and key sub regions are viewed as high risk
- What is you could reduce the risk via a more flexible lending solution
  - Nth Australia Infrastructure Facility

# APPENDIX 2



## Housing in Mackay Regional Council

Housing Roundtable  
*Whitsunday Isaac and Mackay*

*6 Dec 2022*

—Lets look at some stats

1. **SOCIAL HOUSING DEMAND – WAITING LIST**
2. **CURRENT HOUSING MARKET**
3. **UNDERLYING ECONOMY**

# 1. SOCIAL HOUSING – SUPPLY

Social Housing Stock - **Mackay Regional Council ONLY**

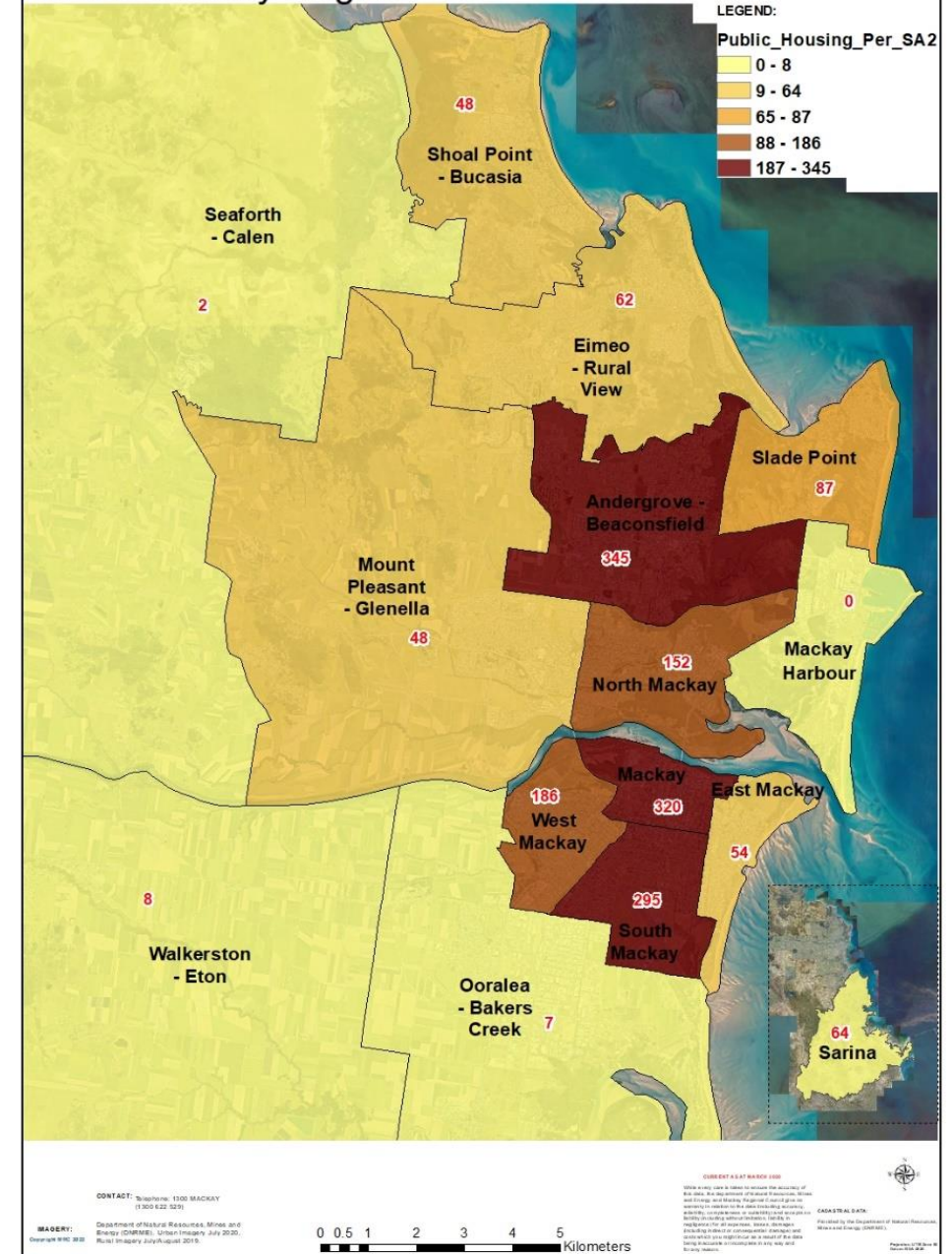
Public Housing = 1,668 dwellings - 3.4% of total residential stock \*

Type of Public Housing Properties	
Detached Dwelling	735
Duplex	138
Attached Flats (> 2units)	729
Group Title Dwellings	6
Guest Housing (rooming accommodation)	60
<b>TOTAL</b>	<b>1,668</b>
Vacant Lots?	29

\* Total Residential Properties in Mackay Region = 48,369

Source: Mackay Regional Council, October 2022

Thematic Map Showing Public Housing In SA2 In the Mackay Region

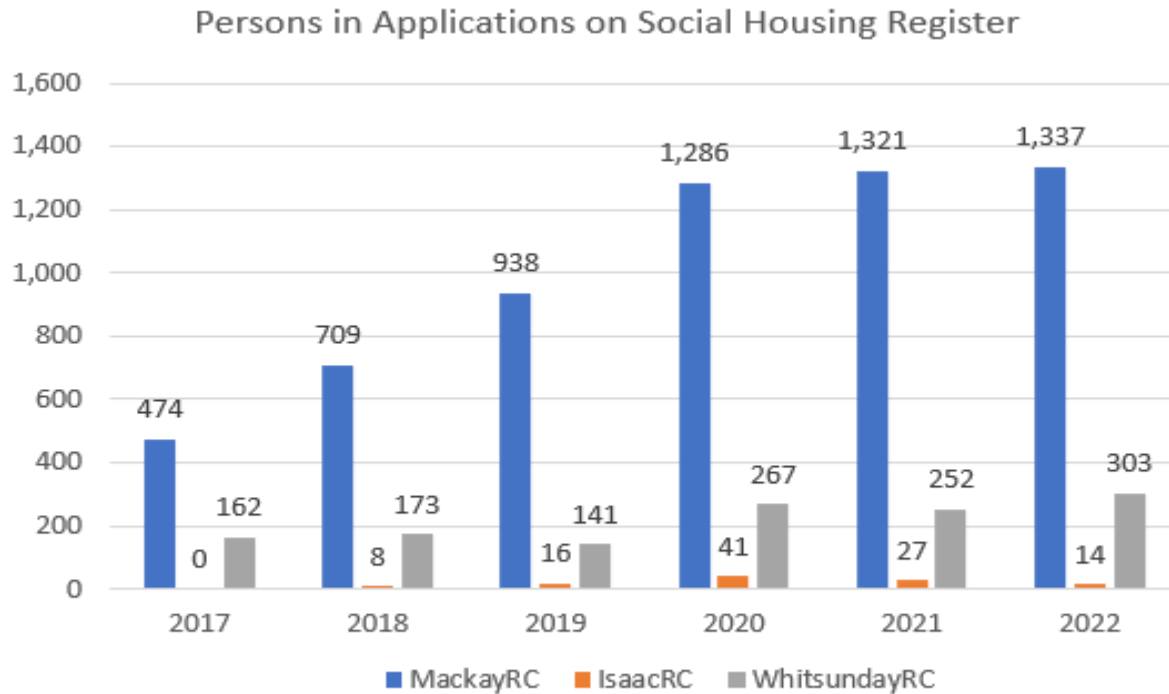




# 1. SOCIAL HOUSING – WAITING LIST

NOTE:  
Larger number in Mackay Regional Council

## Mackay, Isaac and Whitsunday – SA4 (June 2022)



**TREND: Persons increasing since 2017, then flattening off over last 3 years**

Persons in Applications (June 2022)

Year	MackayRC	IsaacRC	WhitsundayRC	TOTAL SA4
2017	474	0	162	636
2018	709	8	173	890
2019	938	16	141	1,095
2020	1,286	41	267	1,594
2021	1,321	27	252	1,600
2022	1,337	14	303	1,654

Source: Queensland Council for Social Service (QCOSS)

QLD Department of Housing

Note: difference between Council areas

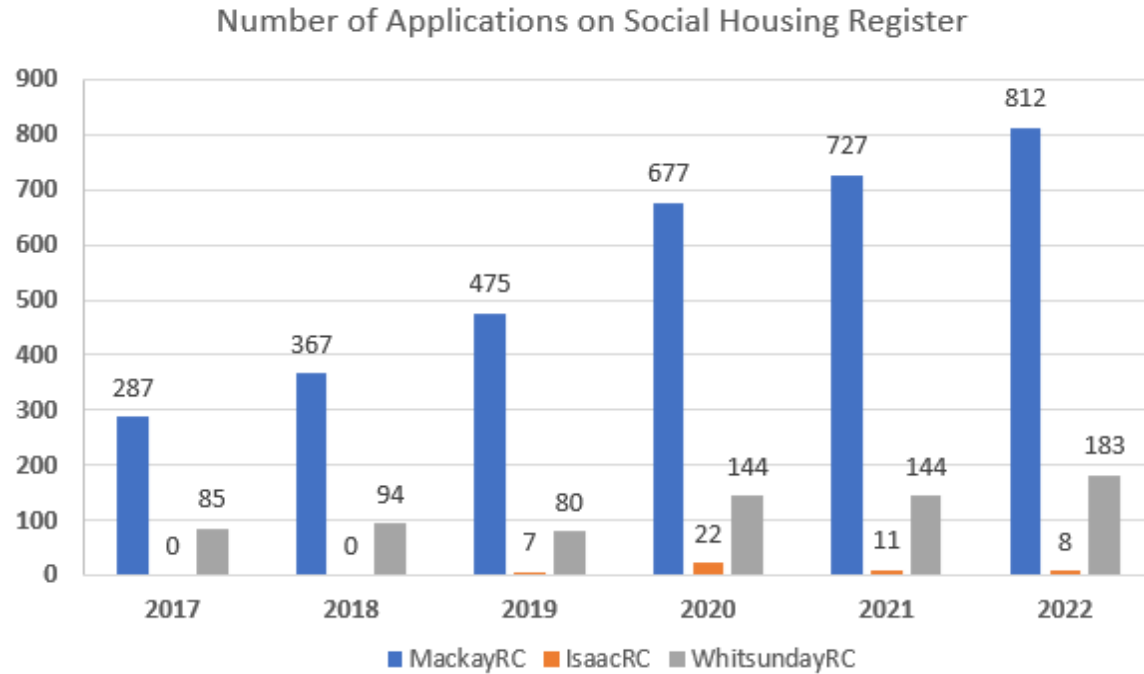
# 1. SOCIAL HOUSING – WAITING LIST

## Mackay, Isaac and Whitsunday – SA4 (June 2022)

NOTE:  
Larger number in Mackay Regional Council

**TREND: Applications increasing since 2017**

\* Applications increasing but less persons per application – signalling single person applicants



Number of Applications (June 2022)

Year	MackayRC	IsaacRC	WhitsundayRC	TOTAL SA4
2017	287	0	85	372
2018	367	0	94	461
2019	475	7	80	562
2020	677	22	144	843
2021	727	11	144	882
2022	812	8	183	1,003

Source: Queensland Council for Social Service (QCOSS)

**QLD Department of Housing**

Note: difference between Council areas



# 1. SOCIAL HOUSING – WAITING LIST

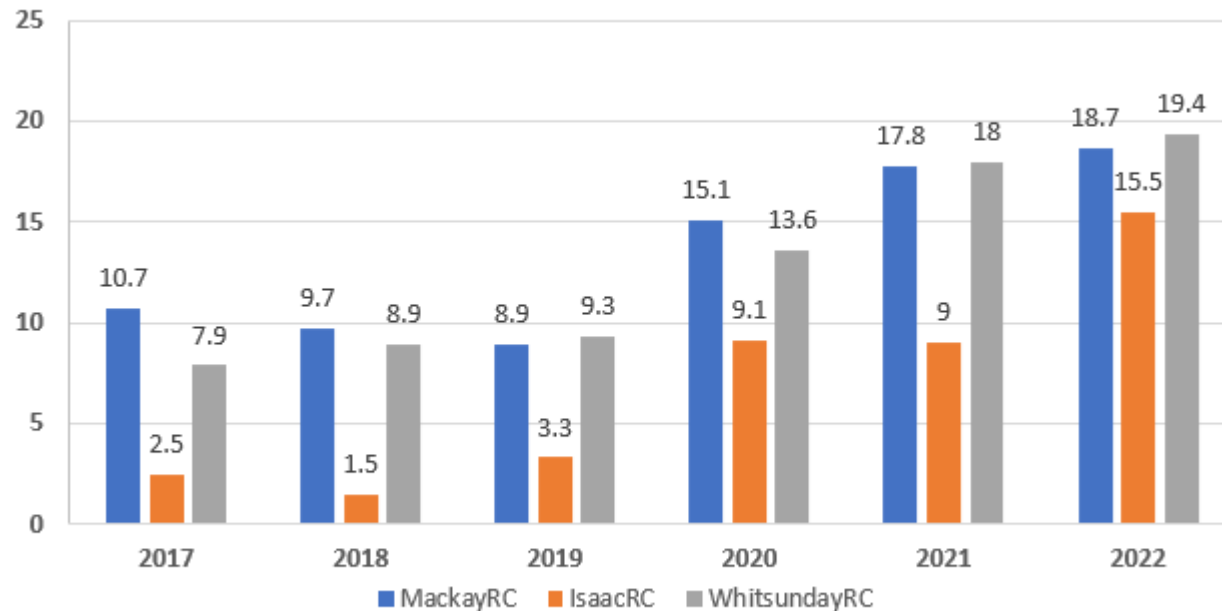
## Mackay, Isaac and Whitsunday – SA4 (June 2022)

NOTE:

Waiting times becomes similar in Mackay and Whitsunday over last 2 years

**TREND: Waiting period increasing since 2019 across all three Council areas**

Period on Waiting List (Average Months) - Household Applications



Waiting Period (Average Months) in Household Applications

Year	MackayRC	IsaacRC	WhitsundayRC
2017	10.7	2.5	7.9
2018	9.7	1.5	8.9
2019	8.9	3.3	9.3
2020	15.1	9.1	13.6
2021	17.8	9.0	18.0
2022	18.7	15.5	19.4

Source: Queensland Council for Social Service (QCROSS)

QLD Department of Housing

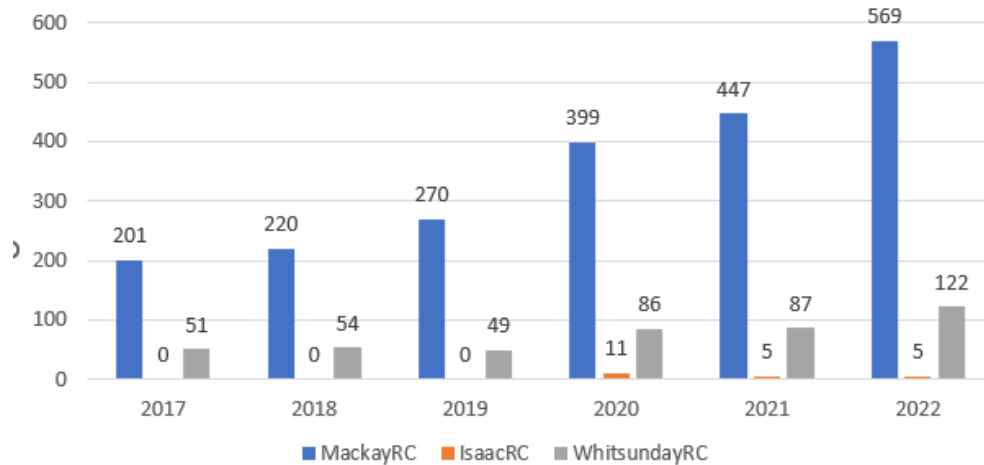
Note: difference between Council areas

# 1. SOCIAL HOUSING – WAITING LIST

## Mackay, Isaac and Whitsunday – SA4 (June 2022)

NOTE:  
Single persons not finding a home

Single Person Households in Applications



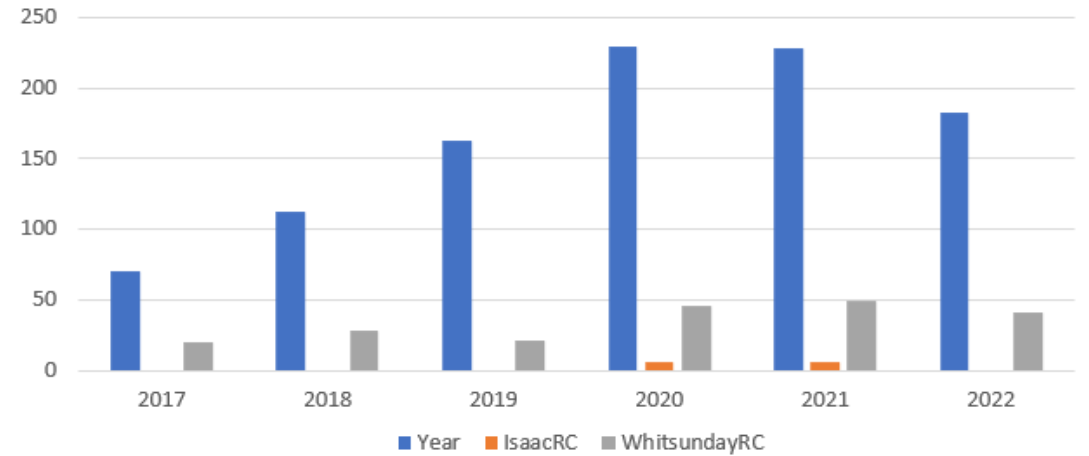
Source: Queensland Council for Social Service (QCOSS), Department of Housing

**TREND: Single Persons increasing since 2018**

**Comment: Need affordable rent for single person**

Note: difference between Council areas

Single Parent Households in Applications



Source: Queensland Council for Social Service (QCOSS), Department of Housing

**TREND: Single Parent Households declining since 2020**

**Comment: Is this a 'positive' trend for single parent households finding a home ?**

Note: difference between Council areas

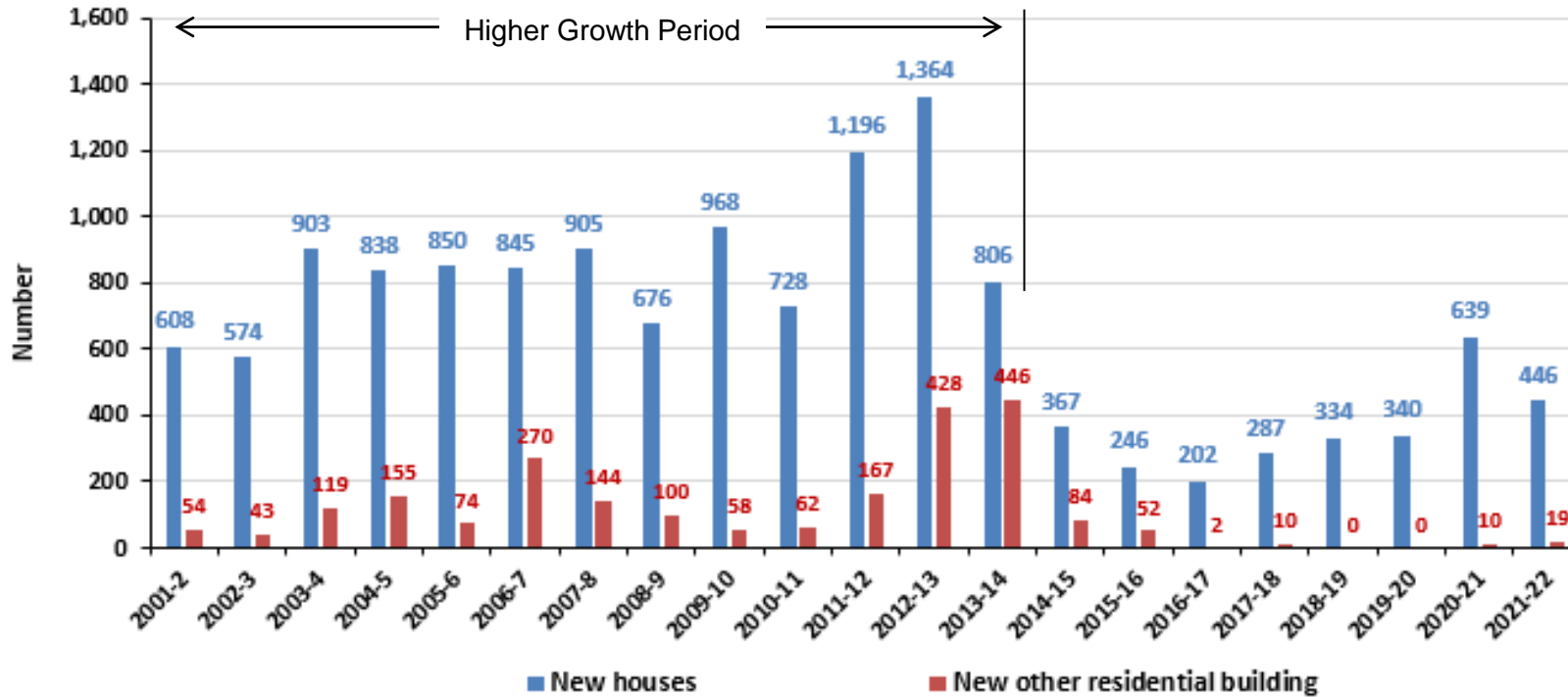
## 2. CURRENT HOUSING MARKET

## 2. CURRENT HOUSING MARKET

**Mackay Regional Council**  
 Annual Dwelling Approvals around 330 p.a.  
 (can accommodate average 850 people)

### Building Approvals - Mackay Regional Council ONLY

Residential Building Approvals - Residential - FY 2002-2022 - Mackay Regional Council



#### Building Approvals trend since 2018

**Houses:** 350-400 houses per year  
**Units/Flats:** below 20 per year

← Trend of building detached houses (3-4 bedroom)

2020-21 housing grants stimulus, but return towards 350 trend

Source: ABS 8731.0 Building Approvals

## 2. CURRENT HOUSING MARKET

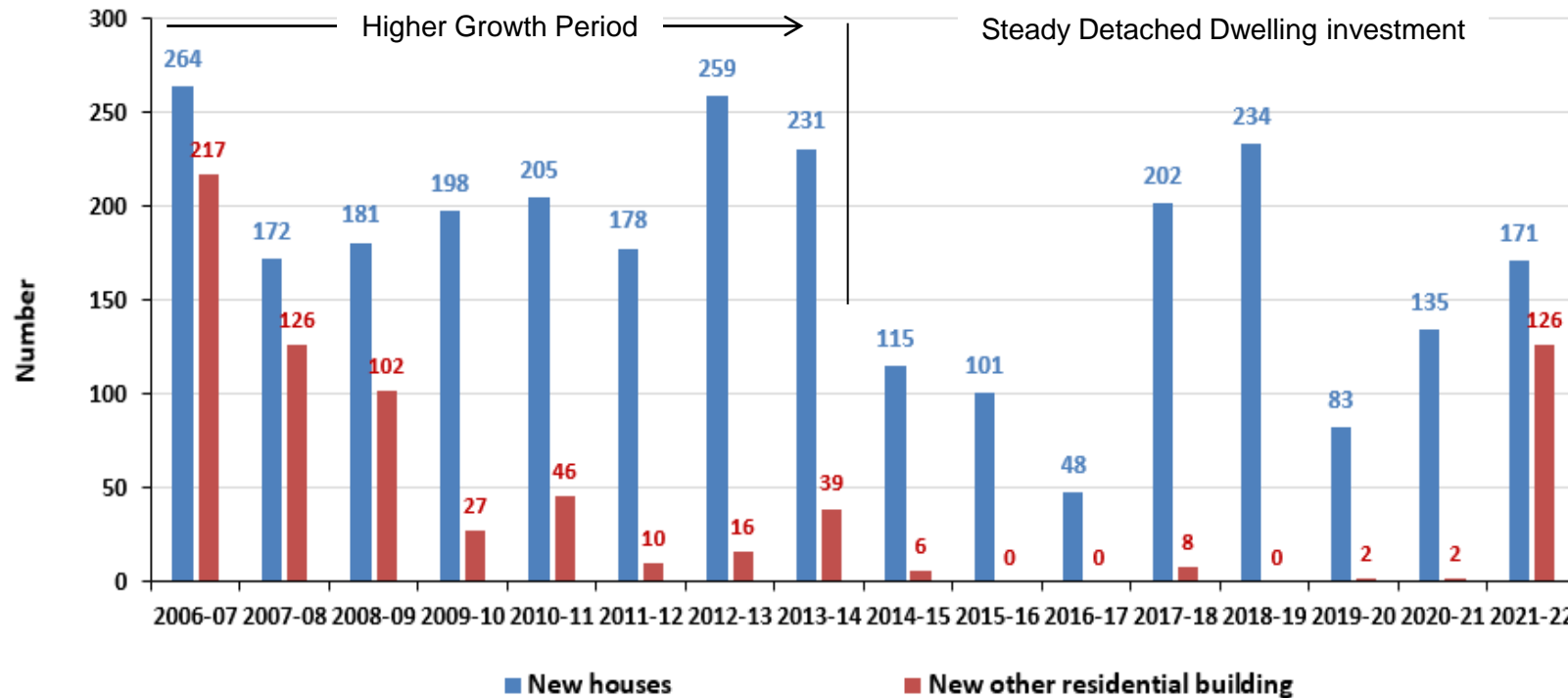
### Building Approvals - Whitsunday Regional Council ONLY

#### Whitsunday Regional Council:

Annual Dwelling Approvals around 130 p.a.  
(can accommodate average 314 persons)

\* Other is attached dwelling/temporary accommodation

Residential Building Approvals - Residential - FY 2007-2022 - Whitsunday Regional Council



#### Building Approvals trend since 2018

**Houses:** 165 houses per year

**Units/Flats:** only recent multi-level building 2022

Different 'higher end' market – still mostly detached

2020-21 housing grants stimulus  
However, investment continues

Median household income continues  
to increase in Whitsunday

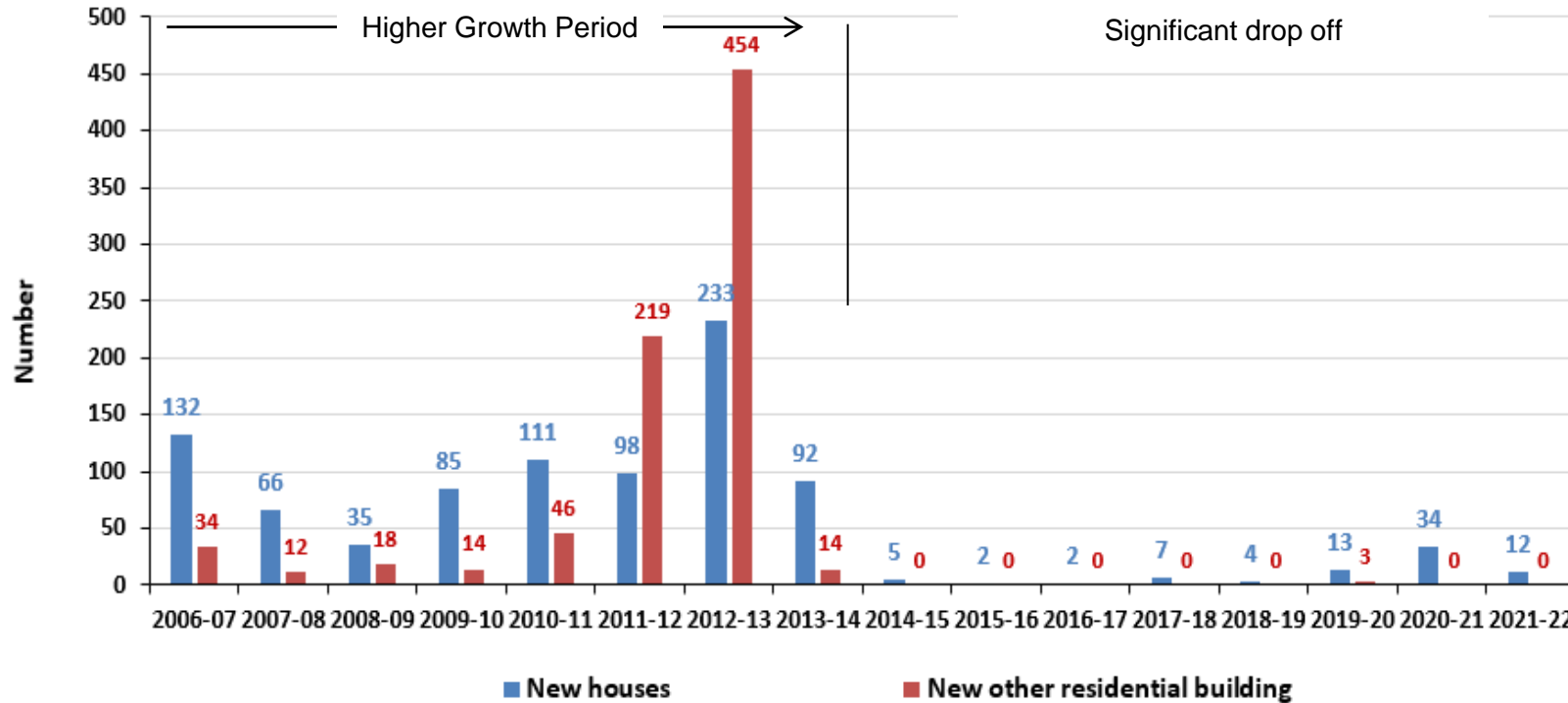
Source: ABS 8731.0 Building Approvals

## 2. CURRENT HOUSING MARKET

### Building Approvals - Isaac Regional Council ONLY

**Isaac Regional Council:**  
 Annual Dwelling Approvals around 8 p.a.  
 (can accommodate average 21 persons)  
**BUT unique housing stock ownership in Isaac**

Residential Building Approvals - Residential - FY 2007-2022 - Isaac Regional Council



#### Building Approvals trend since 2018

**Houses:** 14-30 houses per year

**Units/Flats:** None

← Different rental market and mining company owning housing stock

2020-21 housing grants stimulus, but return the lower approval trend

Source: ABS 8731.0 Building Approvals

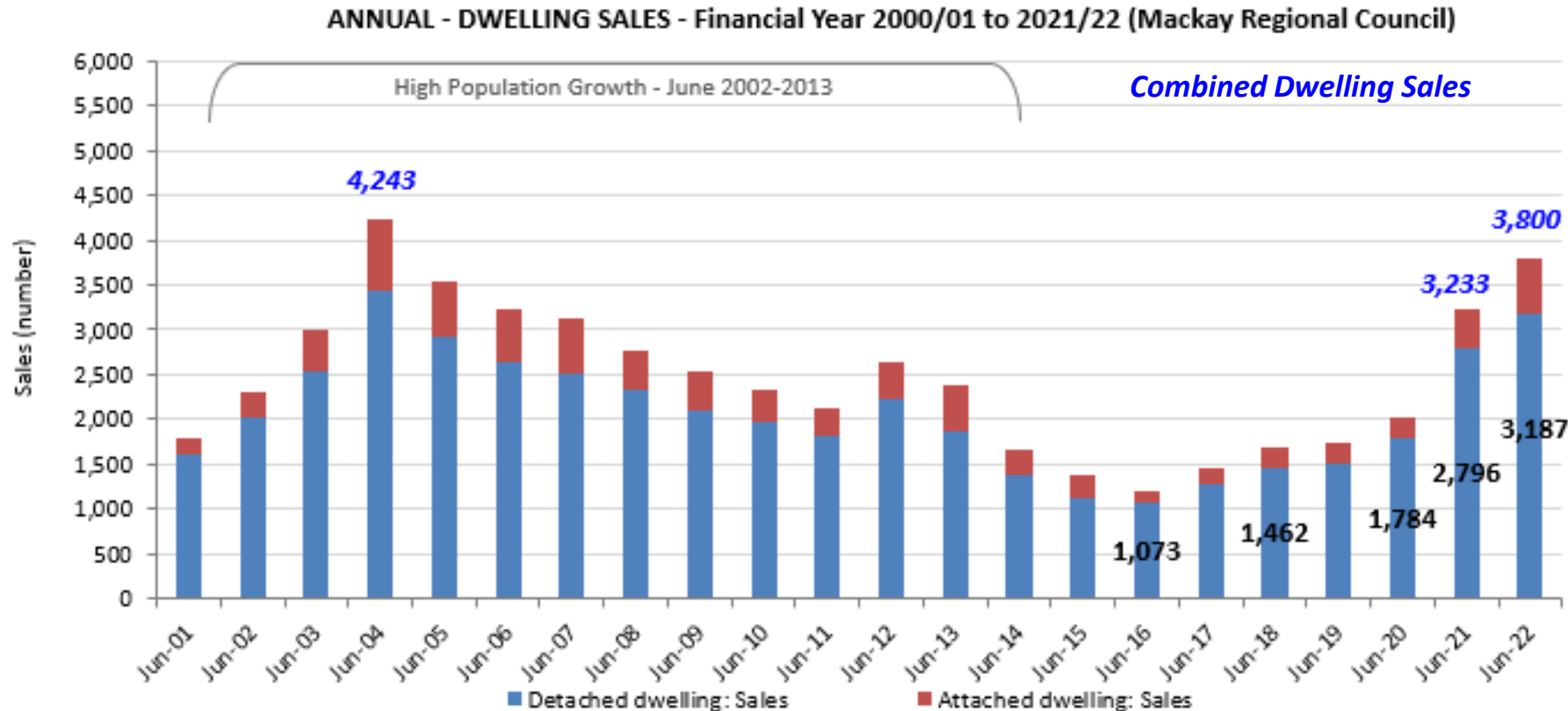


## 2. CURRENT HOUSING MARKET

2020-21 housing grants stimulus, triggered housing sales (created confidence in market)

### House Sales – Mackay Regional Council

Loosing rental stock



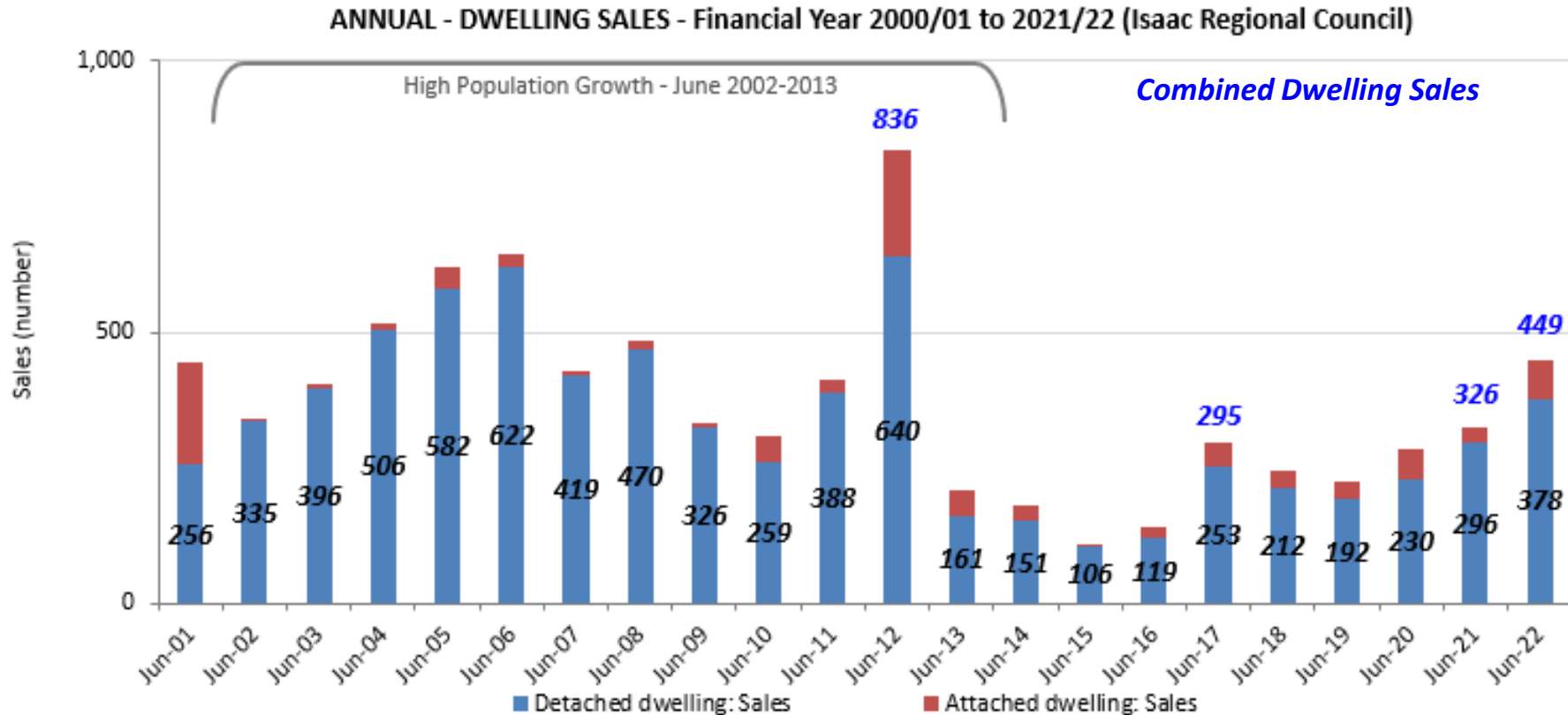
Source: DNRM, Office of the Valuer-General, Property Sales (QLD)

Similar to high growth period

Note:  
Only building 300 new houses per year, so overall rental stock is being lost

## 2. CURRENT HOUSING MARKET

### House Sales – Isaac Regional Council

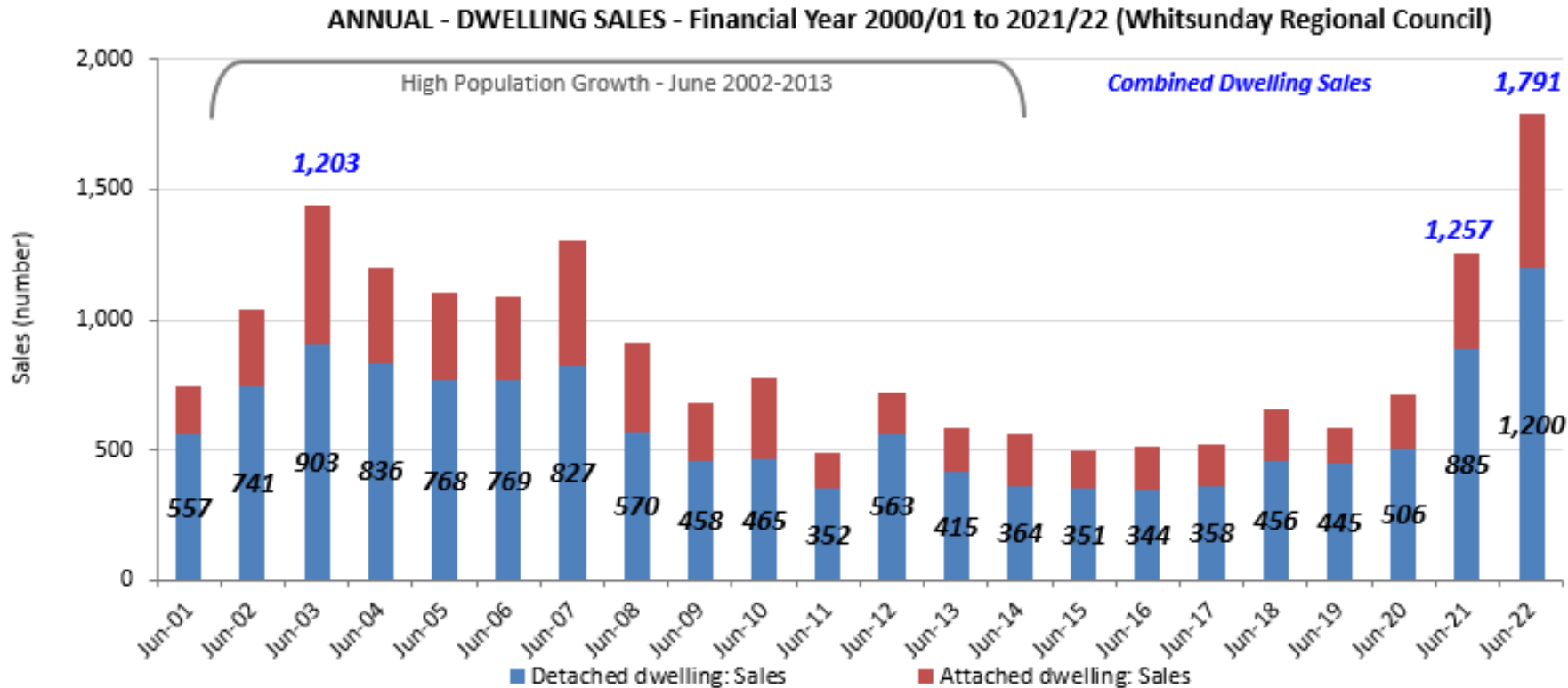


Increased sales activity

Source: DNRM, Office of the Valuer-General, Property Sales (QLD)

## 2. CURRENT HOUSING MARKET

### House Sales – Whitsunday Regional Council



Source: DNRM, Office of the Valuer-General, Property Sales (QLD)

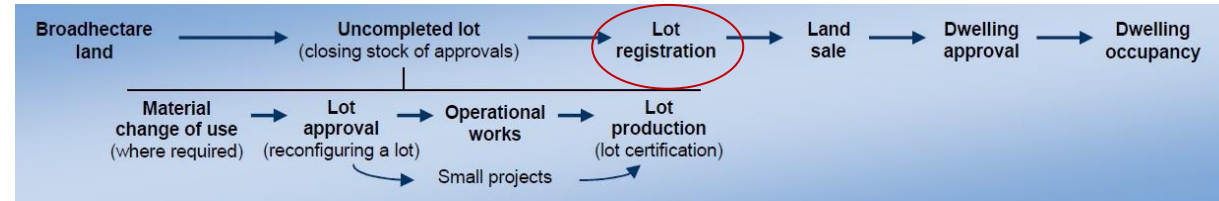
Increased sales activity

Unique Investment Market

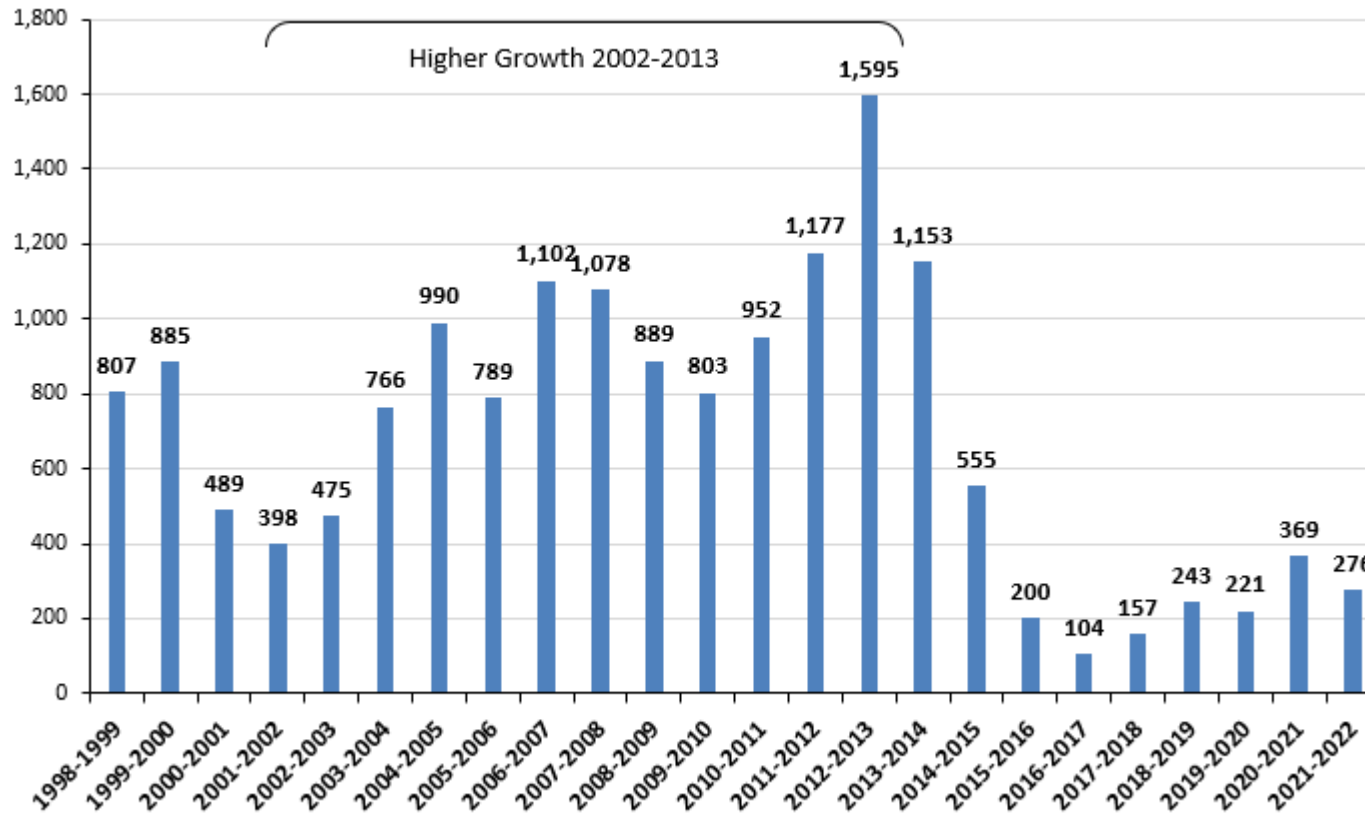
## 2. CURRENT HOUSING MARKET

### New residential lots – Mackay Regional Council ONLY

## Housing pipeline



Residential Lot Registrations (Financial Year) - Mackay Regional Council



Source: Residential Land Development Indicators

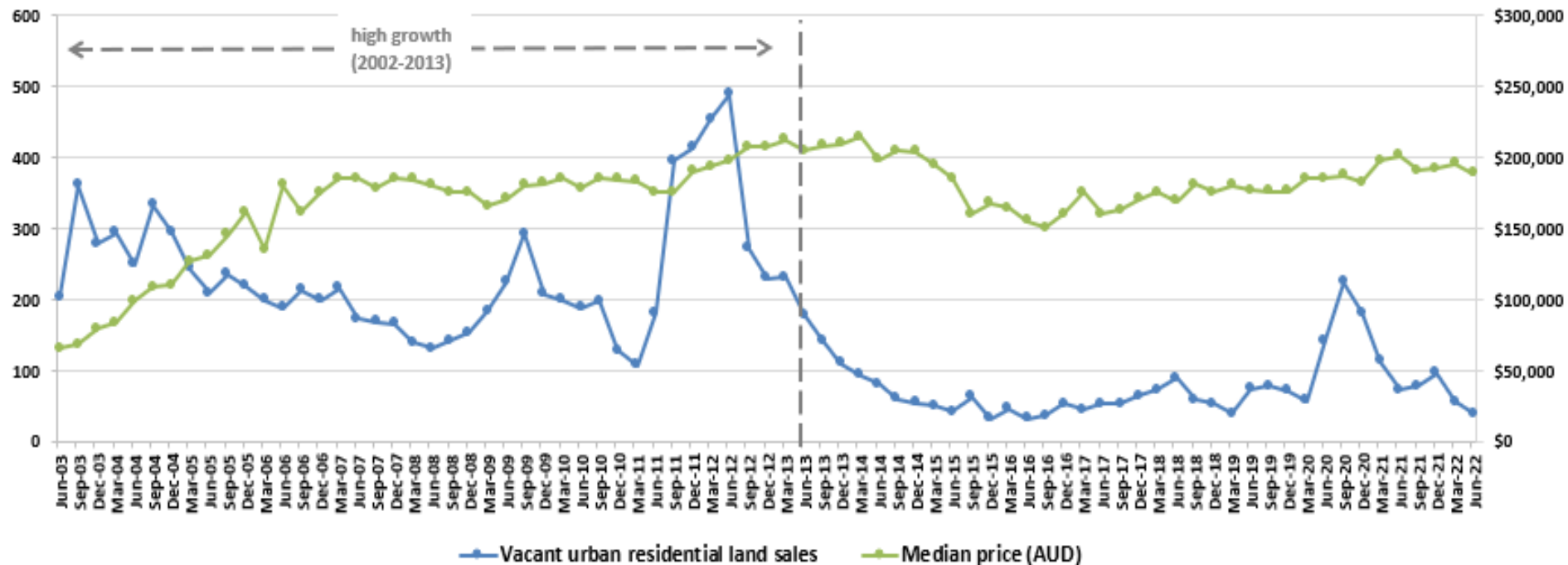
2020-21 housing grants stimulus

Lot registrations returning to annual 250 trend

## 2. CURRENT HOUSING MARKET

### New residential lots – Sales versus Vacant land price - Mackay Regional Council ONLY

QUARTERLY - Vacant urban residential land sales vs Median Vacant Land Price - Mackay Regional Council

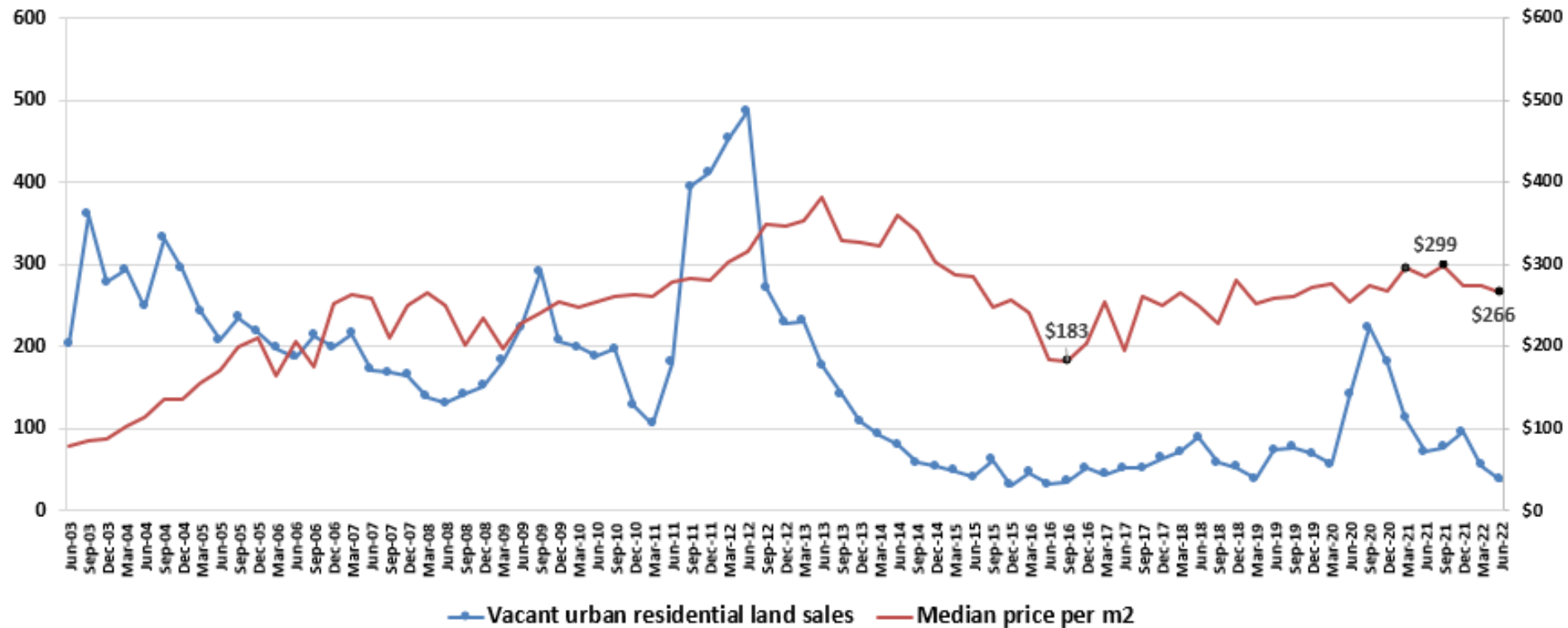


Land prices increased significantly, even when selling low numbers

## 2. CURRENT HOUSING MARKET

### New residential lots – Sales versus Price (m2) - Mackay Regional Council ONLY

QUARTERLY - Vacant urban land - Number of Sales versus Price per m2



Land prices increased significantly, even when selling low numbers

Price per m2 stays high

Source: Residential Land Development Indicators

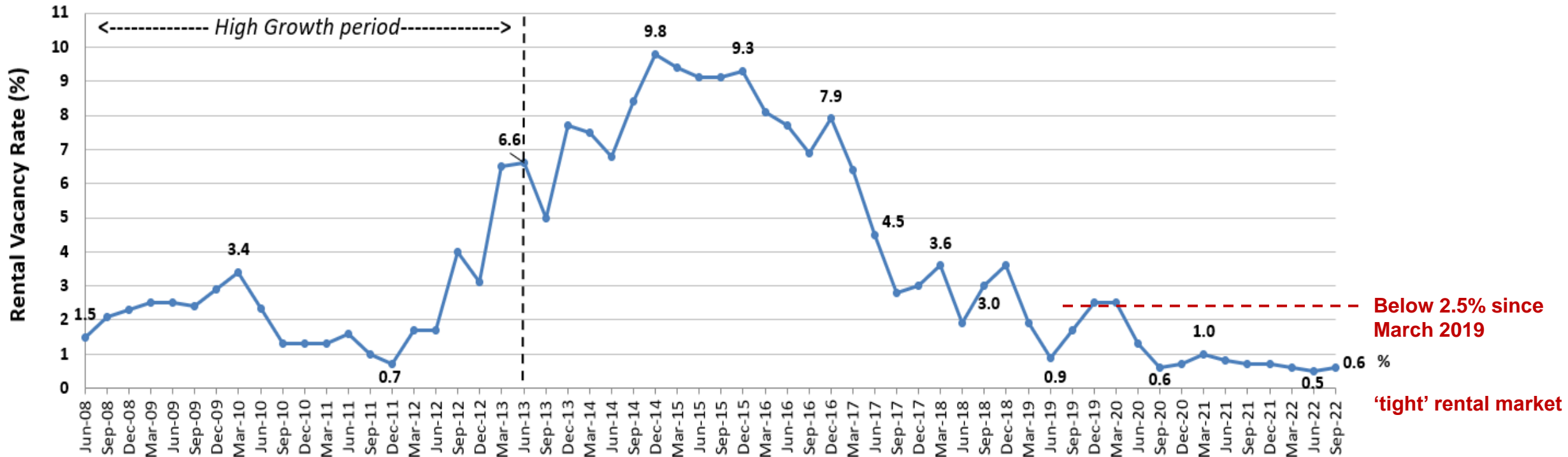
## 2. CURRENT HOUSING MARKET

“Tight” rental market

Loss of rental stock through sales  
Not building rental stock fast enough

### Rental Market – Mackay Regional Council ONLY

Rental Vacancy Rate - 0.6% in Sep 2022 - Mackay Regional Council

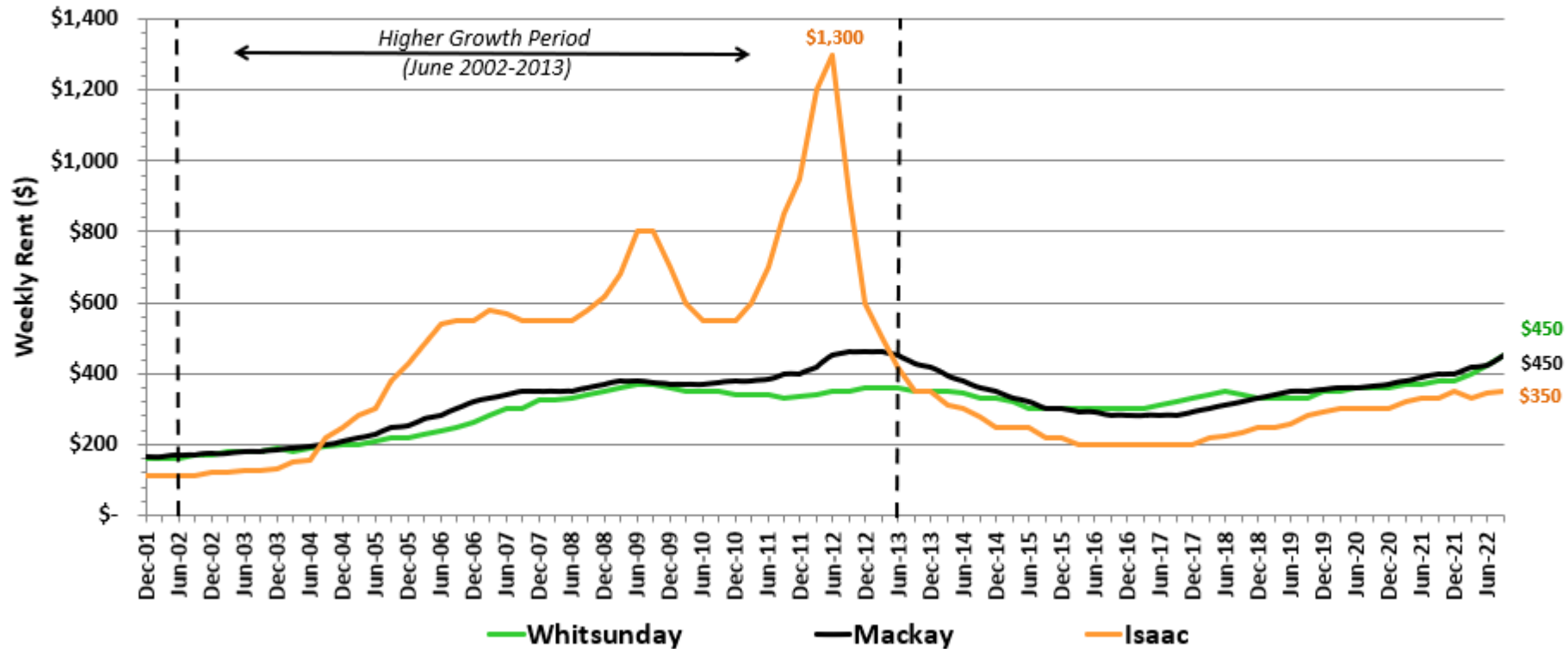


Source: REIQ and Corelogic

# 2. CURRENT HOUSING MARKET

## Weekly Rent

COMPARISON PER LGA - Median Weekly Rent (\$/week) for 12 months ending - 3 Bed house  
Dec 2001 - Sep 2022



Weekly Rent increased to levels at end of boom in 2013

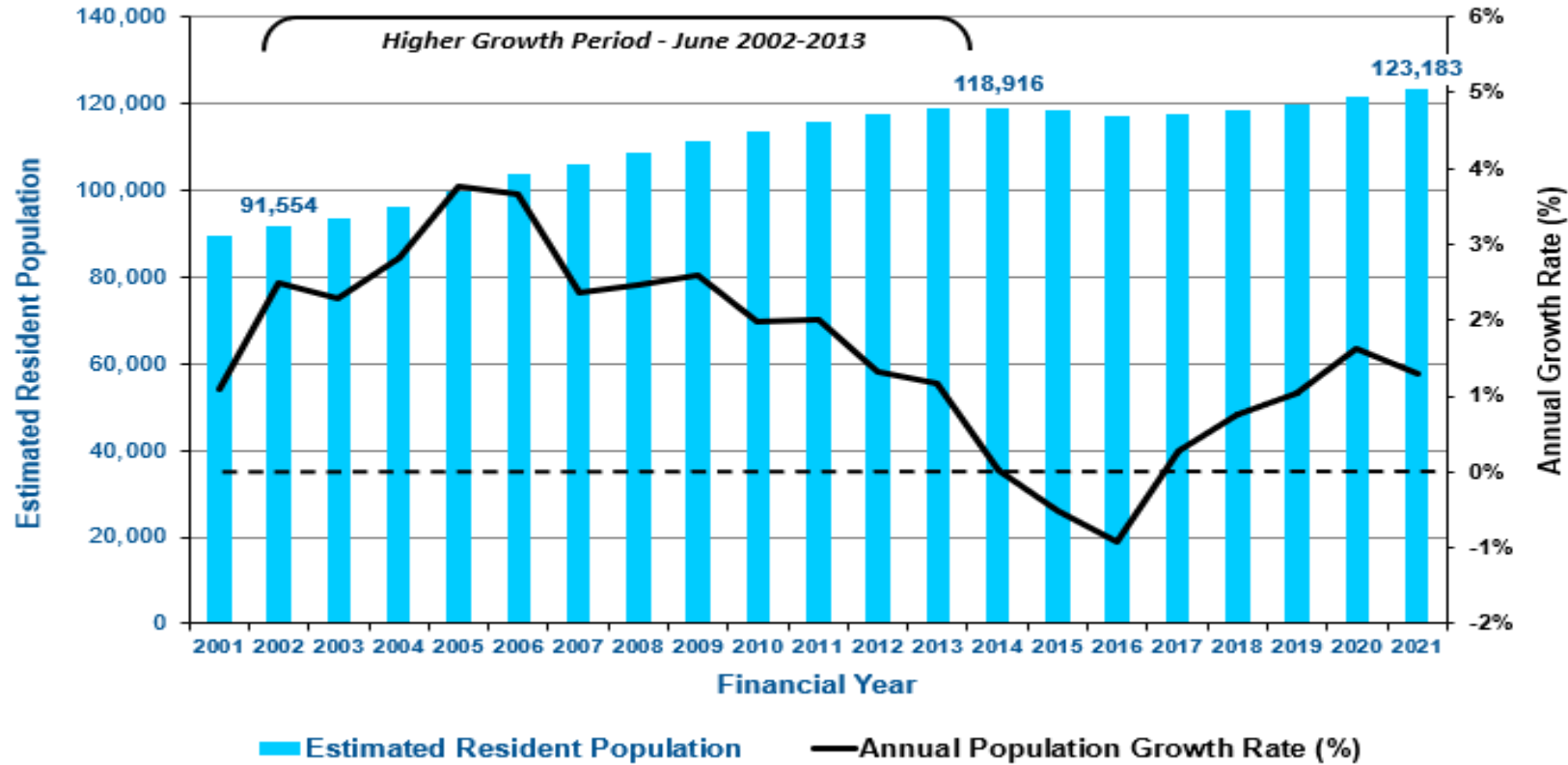
Source: Residential Tenancies Authority, Rental Bonds data (Queensland Government Statistician's Office derived)



# POPULATION

## Population – Mackay Regional Council ONLY

Estimated Resident Population 2001 - 2021  
Mackay Regional Council



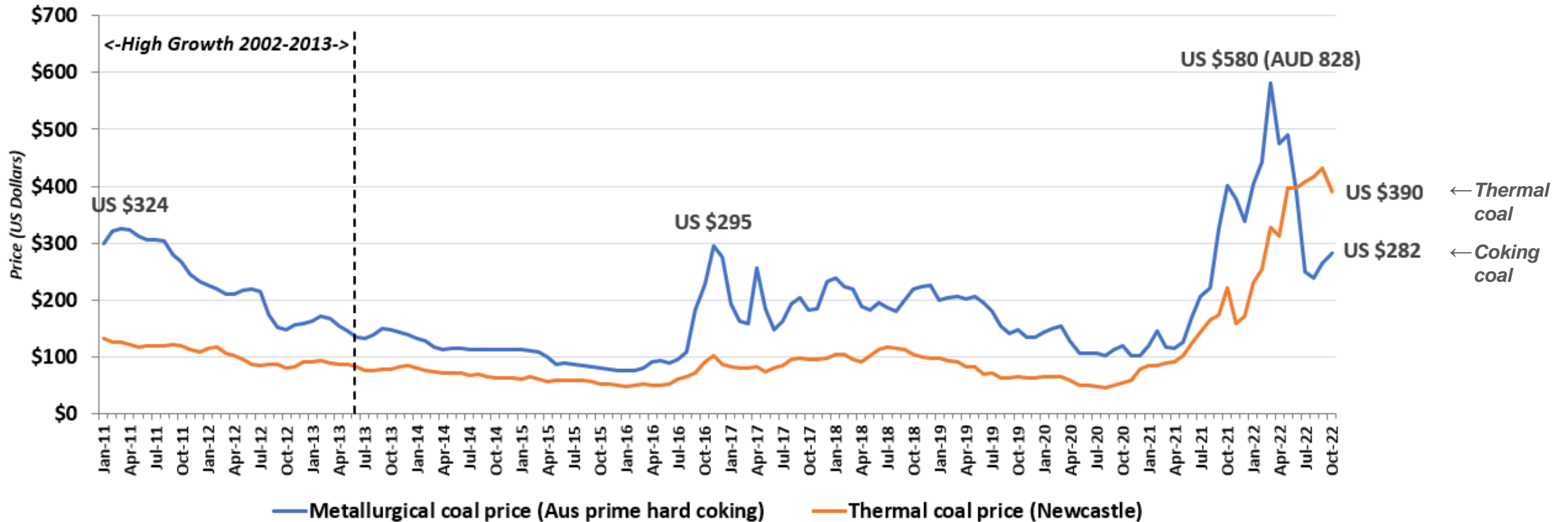
Census 2021 shows population growth since 2017 – suggesting continued housing demand

Source: ABS, Census & Regional Population Growth, 3218.0

# 3. UNDERLYING ECONOMY

Coal export price - Both thermal and metallurgical coal increased to record levels

MONTHLY - Coal Price (US \$) - Exports from Mackay Coal Terminals (Jan 2011 - Oct 2022)



Source: IHS, North Qld Bulk Ports

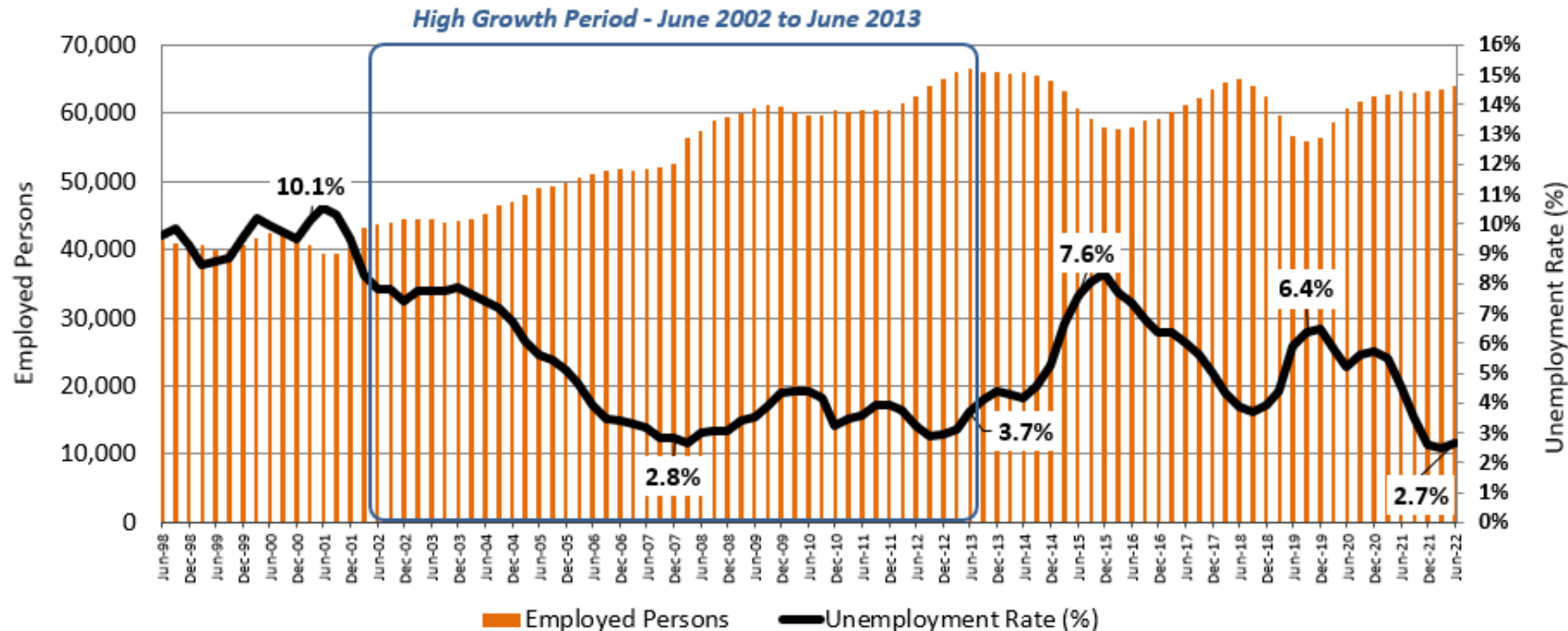
# 3. UNDERLYING ECONOMY

STRONG ECONOMY

But, Unemployment Rate seem to reach a 'saturated' level – not going lower

Employment - Unemployment Rate – 2.7% in June 2022

EMPLOYED PERSONS & UNEMPLOYMENT RATE - Quarterly - Mackay Regional Council



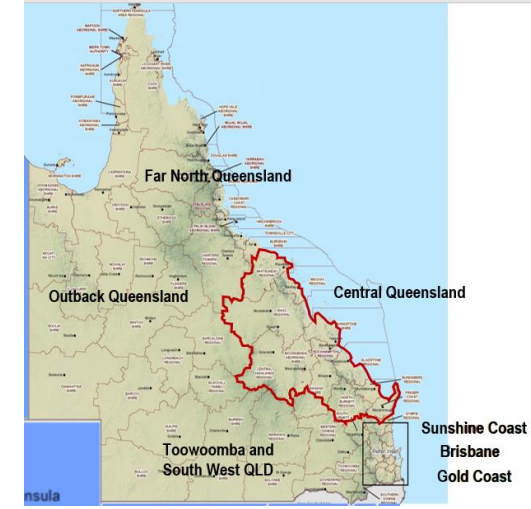
Source: Small Area Labour Markets (Department of Education, Skills and Employment)

# 3. UNDERLYING ECONOMY

Employment – Skills shortages is increasing to record levels in Central Queensland area

Mackay, Isaac and Whitsunday still experiencing job vacancies

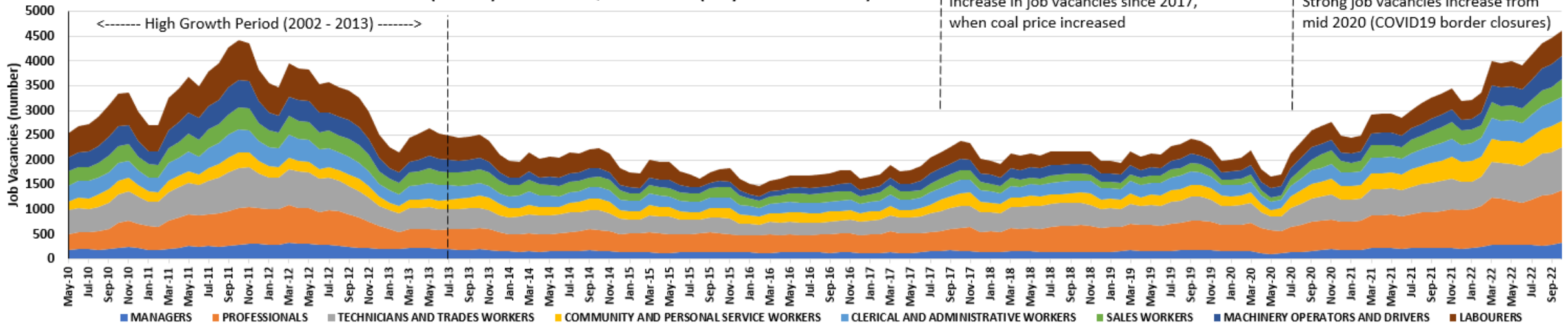
Attracting migrants will impact housing demand



4,427

MONTHLY - JOB VACANCIES (ANZCO) - CENTRAL QUEENSLAND (May 2010 - Oct 2022)

4,614



Source: Regional IVI, Department of Jobs and Small Business