

BUSINESS ILLAWARRA

23 November 2022

The General Manager
Wollongong City Council
Locked Bag 8821
WOLLONGONG DC NSW 2500
Via email: records@wollongong.nsw.gov.au

Dear General Manager,

Submission to Council's Draft Housing Strategy

Thank you for the opportunity to provide input to Council's Draft Housing Strategy on behalf of Illawarra businesses.

As the peak organisation representing businesses of every size across the Wollongong local government area (LGA), as well as those in the Shellharbour, Kiama, Shoalhaven and Wingecarribee LGAs, Business Illawarra believes that the affordable housing crisis is the single greatest challenge now facing our region, driving workforce shortages across key industries and hampering our economic recovery.

We welcome Council's leadership on this important topic, as we firmly believe that the current crisis is attributable to the significant disconnect that exists between elected officials, relevant authorities and the wider community over successive decades when it comes to supplying our economy with sufficient housing for key workers to accommodate future growth.

We note the National Housing Accord announced recently by the Commonwealth to bring about greater collaboration on this issue. With so many minds now focused on the task, we must not waste the opportunity to drive reform, and every stakeholder must play a part in real solutions – some of which may challenge or confront them.

Business Illawarra is currently developing a major research and strategy project that will drive further advocacy with the key objective of realising a greater supply of affordable accommodation for key workers across our region. We are supported in this task by the Illawarra Shoalhaven Joint Organisation, the Illawarra Housing Trust, the Property Council, Warrigal, and MMJ Real Estate Wollongong.

While this work is ongoing, we expect to complete it early in the new year and look forward to briefing Council. In the meantime, we provide the following, high-level response to inform Council's work and to articulate our position.

We look forward to an ongoing engagement with Council on this important matter, in partnership with our members and other stakeholders. To discuss this submission further, please ask your office to contact me at adam.zarth@businessillawarra.com or on 0404 146 829.

Yours sincerely,



Adam Zarth
Executive Director

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Submission to Council's Draft Housing Strategy

Why is housing important to business

A staggering 93 per cent of businesses told our state wide [2022 Workforce Skills Survey](#) that they couldn't find the staff they needed. Positions of every skill level were reported as being difficult or impossible to fill – from labourers to specialist doctors. Prominent occupations in shortage included: chefs and cooks, cleaners, housekeepers, waitstaff, boilermakers, fitters and turners, electricians and carpenters.

We support three broad measures to address these challenges: training our local population, increasing workforce participation and bringing back overseas workers and skilled migrants. But none of these measures will be possible without the required capacity within our regional housing market to accommodate key workers.

More than a third (36 per cent) of respondents identified housing as a key long-term challenge facing business. Many respondents identified the need for more affordable housing and limits on the number of properties used as temporary holiday rentals as methods for helping address workforce shortages, particularly in regional areas.

The scale of the problem in our region

Preliminary investigations by Business Illawarra have determined that the Illawarra is a region where housing and rental prices are higher than other areas in Australia, with an increasing demand and supply imbalance that is causing an unprecedented level of labour market tightening.

The emerging post-pandemic trends appear to be exacerbating these attributes. These investigations included the examination of the regional housing market, housing affordability in comparison to other communities, the workforce and demands on it along with the current political and policy context.

The Illawarra region has an unprecedented road map of infrastructure, wind farm, hydrogen energy, and steel production projects that will be of national importance, and will require many skilled workers, both pre- and post-initiative.

Bringing forward real solutions

As part of its Illawarra First thought leadership and research program, Business Illawarra has commissioned Judith Stubbs and Associates (JSA) to undertake a major analysis of the region's housing market, and a strategy to address the shortage of affordable key worker accommodation.

This research is of paramount importance to ensure that the issue of affordable housing will then provide a platform for community infrastructure that supports social and economic sustainability, including a diverse labour market and economy, and strong and inclusive communities. It is supported by the Illawarra Shoalhaven Joint Organisation, the Illawarra Housing Trust, the Property Council, Warrigal, and MMJ Real Estate Wollongong.

Early analysis by JSA from recently released 2021 Census data indicates:

- There were around 11,800 “very low”, “low”, and “moderate” income households in housing stress in the Wollongong City LGA, with around 9,600 households (81%) in rental stress and 2,267 households (19%) in purchase stress.

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- There is an additional need for affordable housing from 2021 to 2041 of around 5,385 dwellings in the Wollongong City LGA.
- Overall, the Wollongong City LGA workforce grew by 11% over the past 5 years.
- Health Care and Social Assistance workers with a high portion of “very low”, “low” and “moderate” income households is the largest industry of employment in the Wollongong City LGA.

Initial response to the Draft Strategy

Business Illawarra notes Council’s commitment to meeting the target required by the [Illawarra Shoalhaven Regional Plan 2041](#) upon its release in May 2021 of an additional 28,000 new dwellings by 2041. We further acknowledge that the Plan will be superseded by the Greater Cities Commission’s Illawarra Shoalhaven City Plan in 2024, which will set housing targets that, in our view, should be more ambitious again in terms of their diversity and number.

Business Illawarra will provide significant input to the Greater Cities Commission’s development of the Illawarra Shoalhaven City Plan, sourced from its forthcoming research project with JSA, which will necessarily examine how all LGAs can increase supply. Thereafter, we believe Wollongong City Council will need to approach this new City Plan flexibly, with innovative thinking and civic leadership to build community support and overcome pockets of entrenched opposition.

The Draft Strategy proposes the continuation of a variety of existing ‘city-wide strategies’ to bring more housing online, together with other existing strategies that it has been implementing to assist those in various forms of housing stress that sit outside of its direct legislative responsibilities. These are supported by Business Illawarra.

Council is to be commended for looking beyond its legislative responsibilities to support the provision of affordable rental housing and the Draft Strategy proposes a suite of measures which are supported; particularly: “Council will consider whether any Council operational land parcels are suitable to be leased for the provision of affordable housing,” and “Council remains open to investigating and considering innovative partnership opportunities.”

Proposed measures to increase housing diversity, mix and choice are also supported.

However given the scale of the crisis, Business Illawarra encourages Council to go further and examine how it can enact ‘game changing’ reforms to lead the region – and potentially the state – in accelerating affordable housing for key workers.

Game-changing proposals to create more affordable housing for key workers

A complete assessment of opportunities for councils and state government to contribute to the supply of affordable housing for key workers will be contained within the forthcoming work by JSA in early 2023.

However some preliminary themes are presented here to provide an early insight into some of the ‘game changing’ proposals for Council to consider as part of a leadership role within our region:

- Direct creation of affordable housing on Council, other public and private land;
- Unlocking value in public land and public assets;
- Exploring opportunities in precinct approaches to major redevelopment including through value capture;

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- Identifying and remove planning impediments, including through the liberalisation of planning controls and expediting development approvals;
- Engaging the private sector in the development of affordable housing, including by partnering with major employers on worker accommodation (including temporary accommodation) and with developers on demonstration projects.
- Brokerage schemes (for example matching underoccupied homes with key workers) and meantime use, including identifying underutilised buildings for 'quick wins'.

Most importantly, Business Illawarra strongly encourages Council – particularly its elected officials and its executive – to take a leadership role in explaining to the community why it should support the growth of affordable housing rather than oppose it, and to work with employer groups, unions and community groups to build and demonstrate consensus on this critical issue.