

## **LOCAL GOVERNMENT ASSOCIATION SOUTH AUSTRALIA**

### **Showcase Presentation Affordable Housing - Naracoorte**

Thank you for the opportunity to talk to you about an issue that has become critical in terms of infrastructure and future growth for regional and rural communities in South Australia.

In late October 2005 a significant step forward in solving affordable housing issues in regional South Australia will occur with the commencement of work in Naracoorte on the first stage of a project, which will see the construction of thirty two new homes.

To reach this stage has required seven years of hard work with a fair share of disappointments along the way.

Today I have the opportunity to share the experience with you but I would acknowledge all that have contributed to what has been achieved both in the past and currently.

I would like to give an overview of the following:

- Naracoorte Lucindale Council
- What the issue was
- How Council went about solving it
- What will occur / outcomes
- What we learnt out of the exercise.

And I would be happy to take questions at the end.

### **Brief Overview of Naracoorte Lucindale Council District**

- Geographical heart of the South East / Limestone Coast Region
- Three and a half hours from Adelaide and five hours from Melbourne.
- Home to South Australia's only World Heritage listed site, Naracoorte Caves.
- Strong Tourism growth and well known for the staging of events of regional significance.
- Key features to note:
  - Low unemployment.
  - Business confidence strong
  - Employment opportunities in a wide variety of areas of employment.
  - Sustained period of growth
  - Not reliant on one particular industry. Strong in areas such as:
    - Agriculture.
    - Meat Processing.
    - Wine
    - Tourism
    - Regional Livestock Exchange.
  - New businesses attracted to Council district through incentive programs.
  - Future opportunities exist around railway land (Centre of Naracoorte), Golf Course Land (Naracoorte) rezoning of land for industry.
  - Connection to natural gas.

## **What was the issue?**

In the late 1990's with rapid expansion occurring in the Council district the availability of housing on a short and long term was at stretching point.

Overcrowding in some establishments meant that action was needed.

Options and solutions needed to be found.

For those in the rental home market these were economic boom times as rental prices rose rapidly and renters could not afford to be selective in the style of accommodation.

Further problems existed for those people wishing to purchase homes, having the capacity to do so, in that banks would not allow them loans until after six months of stable employment.

Without access to accommodation the possibility of stable employment was difficult.

The alternative was to travel significant distances to Naracoorte, which again was an economic disadvantage.

The dilemma was employment was on offer but accommodation housing scarce.

## **How Council went about solving the problem.**

To capture the work of seven years in about five minutes and do justice to all involved is difficult.

A brief overview of what occurred is provided and I would be more than happy to talk to interested people after at greater length.

Having identified the issue, Council set about in 1998 to find the solution.

- As early as 1996 South East Councils in conjunction with the Economic Development Board were discussing this matter.
- 1998 position paper on housing shortages in South East was prepared by Dr Andrew Beer.
- The Report exploring the options available eg; establish accommodation at Naracoorte Caravan Park or Greenfields site.
- Development of options commenced.
- Serious consideration given to the introduction of transportable homes purchased from the Housing Trust.
- Application made for funding to the Federal Government Regional Solutions Project.
- A number of sites considered and rejected.

- Former Depot site considered to be the ideal location.
- 2001 State Government were considering providing a loan of \$195,000.00 to Council.
- Hassell Report produced in conjunction with the Limestone Coast Regional Economic Development Board reinforces the need to act (2002).
- 2002 Council works on the development of a seasonal worker accommodation PAR to secure areas where accommodation could be introduced to.
- 2001 Council receive \$283,000 from Regional Solutions program but State funding still a concern.
- 2002 Council discusses possible purchase of transportable houses.

#### 2002-2003

- Council runs into a number of problems.
- Doubts about State Government funding.
- Community back lash about the proposal to place homes on the Attiwill Street site.
- Development Assessment Commission conditions.

#### 2003

- Council hands back \$283,000 to Federal Government as project stalls.
- State Housing Plan released for comment with no referent to regional housing.
- Council commences the process to lobby for inclusion of a section on regional housing.

#### 2003-2004

- Commencement of negotiations with Land Management Corporation and Homestart on the preparation of a plan to take to State Cabinet on the possible joint venture.
- Seasonal Accommodation PAR adopted.
- First attempts to convince State Cabinet fail.
- Project initially ten homes in Naracoorte and ten homes in Bordertown.
- Land Management Corporation and Homestart repackage with a view to working on a joint venture with a private builder.
- Sites inspected and one found which could cater for an expanded development.
- Package put to the State Cabinet on the basis of 32 homes.
- Numbers make the project feasible and announcements made in May 2005.
- Some local concern that an outside builder to be a joint partner.

- Council acts as a broker to negotiate through issues.
- October 2005 project will commence on the ground.
- Council's role
  - initially a lobbyist
  - then possibly a developer
  - back to a lobbyist.
  - peace maker
  - approval agency
- Delighted to achieve a section being included in the State Housing Plan on Regional Housing

A long road but well worth it.

- MP's
  - Economic Development Board
  - State / Federal Government Departments
  - Councils of the South East
  - Community
- all made it happen.

**What will occur / What did we achieve?**

- 32 homes to be constructed over two stages of sixteen on the Bates Lane site.
- Affordable housing for a market area often overlooked.
- Land Management Corporation and Empak Homes will allow local builders to enter the development.
- This project will be assessed to determine if this is the best way to tackle regional Housing issues in other areas.
- The project will have flow on effects by opening up other ends of the housing market by allowing more choice in terms of house types.
- The State Housing Strategy has been amended to include a section on the need to address regional housing issues.
- The State Government now recognizes that there is a need to address regional housing and recently announced the Affordable Housing Innovation Program, which will seek to establish further partnerships such as the one in Naracoorte.
- Through the actions of the Council in continually highlighting the problem and seeking solutions, the Council has been able to stimulate the interest of additional private developers.
- Private developers have entered the market producing a variety of styles of homes at affordable prices.
- In some cases development of housing estates have been brought forward.

**What we learnt out of the experience.**

- A high priority
- Communication will overcome misconceptions in the community about what is being planned.
- Negotiations take time and can be frustrating when the answers appear to be just around the corner.
- Have a number of back up plans
- Work closely with key regional organizations and ensure they are always briefed and you have their support.
- Work with the government departments it is easier to get a result.
- Have your local members of parliament briefed and on side.
- Be prepared to stick at the tasks as the final outcomes are rewarding as they provide solutions to an issue that confronts us all

**Questions.**