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Telephone/Personal Enquiries
Ask for Anne Andrews

6 September 2021

Committee Secretariat
Inquiry into housing affordability and supply in Australia
PO Box 6021
Parliament House
CANBERRA
Canberra ACT 2600

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Dear Sir or Madam

Inquiry into Housing Affordability and Supply in Australia

Please accept this submission from Broken Hill City in relation to the Federal Government Inquiry into housing affordability and supply in Australia.

Council understands that the inquiry seeks to:

- Examine the impact of current taxes, charges and regulatory settings at a Federal, State and Local Government level on housing supply;
- Identify and assess the factors that promote or impede responsive housing supply at the Federal, State and Local Government level; and
- Examine the effectiveness of initiatives to improve housing supply in other jurisdictions and their appropriateness in an Australian context.

Far West Region NSW

The Far West Region covers the very western and northern sections of NSW and is bordered by the states of Queensland and South Australia. The region comprises the Local Government Areas (LGA's) of Broken Hill City and Central Darling Shire, along with the Unincorporated section of NSW. The region was first explored in the 1820s and settled in the 1840s. Broken Hill, located 1,160km west of Sydney, is the regional centre accounting for around 86% of the population and the majority of administrative, commercial and community services. It lies close to the South Australian border and midway between the Queensland and Victorian borders. Mildura on the border in Victoria is 300 kilometres to the south on the Murray River. The capital city of South Australia, Adelaide, is approximately 500 kilometres to the southwest.

Broken Hill Local Government Area

The City of Broken Hill is the largest regional centre in the western half of NSW South Wales and the strategic centre of Far West NSW.

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The Broken Hill LGA comprises 170 km² and contains the mining city, Broken Hill. Broken Hill was founded in 1883 when silver and lead deposits were discovered. The region was quickly identified as having one of the largest and richest deposits in the world. Broken Hill Proprietary Company (BHP) was formed in the area to mine the deposits, though ceased work in the region in 1940.

Since the 1970s, Broken Hill has experienced a downturn following mine closures, resulting in the population declining to 17,800 persons. After periods of large population decreases, the rate of population decline has reduced over the past 10 years.

However, in recent years, there has been significant interest in mining opportunities in Far West NSW. The New South Wales Minerals Council has assessed the economic growth potential of the state's mining projects pipeline, with 32 projects underway between impact statement and final approval.

Five of these projects are in Far West NSW which represent a potential \$2.7m injection into the economy with the potential of 3,000 jobs. (NSW Minerals Council chief executive officer Stephen Galilee, ABC Broken Hill, 2 September 2021).

These opportunities provide Broken Hill and the surrounding region to play a significant role in rebuilding the NSW economy in the years ahead, and with the right policies in place to support mining and with the right policies in place this should also reverse the population leakage from Broken Hill.

Role of Broken Hill City Council

There has been a traditional role for Broken Hill City Council to support the creation and maintenance of housing through NSW planning legislation and Council Policies. Council has an impact on housing affordability through land-use zoning, building controls, the timing of land release, location of services and facilities and the levying of rates and development contributions. Advocacy to other levels of government has also been employed by Council to gain an equitable share of available resources and funding in Broken Hill.

Council is working in partnership with Foundation Broken Hill to assess the future housing needs of the mining industry. This organisation, Foundation Broken Hill has employed a project officer for 12 months undertake a project to investigate and develop the strategic directions required for attracting and retaining a skilled residential workforce ahead of planned mining and commercial developments in the Broken Hill region, with a focus on housing.

Foundation Broken Hill has partnered with Benagerie Gold & Copper, Cobalt Blue, Lodestone Mines and Perilya Limited - representing a unique collective coming together of organisations who are concerned with the future of Broken Hill and the emerging mining opportunities in the coming years.

Between them they represent significant existing and future mining interests in Broken Hill and the region.

They, along with other ventures, show that Broken Hill will continue to be a significant mining region within Australia for many decades to come.

While this project is in the early stages of development, Council has identified a number of opportunities that would assist the City to encourage investment in the housing sector and minimise the potential of the city becoming a fly-in-fly-out community.

Housing Supply

The number one strategic issue that Council is facing at this current time is the availability of quality housing for purchase and rental to encourage future mine employees and their families to reside in the City. Broken Hill has traditionally been a residential mining town, not fly-in fly-out and Council recognises that if there is not an opportunity to house these workers in the City, the social fabric and culture on the City will change.

While Broken Hill continues to have a sharp focus on new mining opportunities, Council is also pursuing an economic transition to diversify the economy, by investing in opportunities that promote Australia's First Heritage Listed City as a liveable city that offers an immersive cultural visitor experience and enviable lifestyle. The development of tourism-based infrastructure has been widely researched by Council and is being supported by the wider community to increase visitations and expenditure, both of which will contribute to the local economy and jobs.

Council is currently implementing a CBD renewal strategy to lead investment in the City. A new Community Facility (Cultural Precinct, Library and Archive) and Mainstreet Lighting Project are being developed by Council to enrich the lives of locals as well as to create a new destination for visitors.

Council will continue to strive for the provision of appropriate services in the centre to support mining, agriculture, renewable energy industry, health, education, government services, trade supplies and services, commercial and retail businesses at Broken Hill and throughout the Far West of NSW.

Broken Hill Social and Affordable Housing Challenges

It is becoming increasingly evident that the open market in Broken Hill (private rental and housing for sale) is unable to meet the affordability needs of large numbers of households.

Although housing in the Far West Region of NSW is still much cheaper than the Greater Sydney average, the incomes of local people are also much lower than average, largely due to the very high rate of older people on pensions and benefits, fewer high skilled / paying jobs in the area, and the high concentration of low-income renters.

Council is interested in developing a range of housing products, tenure types and price points within the City. Multi-tenure models that incorporate special needs, social housing, affordable (discount market rent) housing, and private rental and/or owner-occupied housing are preferred at this stage, as they would likely help improve social inclusion, reduce stigma and have the ability to cross subsidise the social or alternative housing components of a development.

Projects that provide social and affordable housing opportunities will be key investments for Council and the wider community and Council sees merit in playing a more proactive role in the creation and retention of social and affordable housing through active intervention in the market, including through the use of its own land holdings and resources in partnership with others to directly create housing.

Development of social and affordable housing on Council owned land under a development and / or management partnership with a registered community housing provider is the preferred option due to their experience, management expertise, and access to government grant funding and their own revenue raising capacity and Council has been actively pursuing this in recent years.

Incentivisation

Council has identified many potential existing land blocks within the city boundaries that are vacant or have poor housing stock, that may be suitable for single and very small developments.

At the time of the 2016 Census over 20% of existing dwellings in Broken Hill were noted as being unoccupied. A number of these brownfield sites are owned by family trusts or have been abandoned and are old and poorly maintained but many are suitable for development to meet the demand of higher quality housing. They have the advantage of existing services connected.

There is an opportunity for State and / or Federal Government to work with Local Government to investigate innovative incentives to encourage land to owners to sell to increase opportunities within the city boundaries for development. This will also eliminate the potential of a decaying urban centre if the only option for development is on the outer fringes of the City.

This incentivisation program should include an assessment of the viability of:

- Incentives to encourage sale of unoccupied houses in identified areas of housing shortage.
- Incentives for homeowners to improve the standard of rental in areas of identified need.
- Incentives for mining companies to invest in housing within the City limits.

Many of the proposed mining operations are outside of the rateable land limits of Broken Hill but the City will be the hub for workers for accommodation and other services. There is an opportunity for incentives to be created for mining companies to invest in housing within the City limits.

This also represents a significant opportunity for the construction sector in Broken Hill to build new or improve the current stock of housing in the City.

Land Availability

Broken Hill is a City that is landlocked, being bordered by the Unincorporated Area of NSW. It is also surrounded by an environmental and historically significant 'green belt' of E2 zoning that is generally unable to be developed. (This land is known locally as the 'Regeneration Reserve').

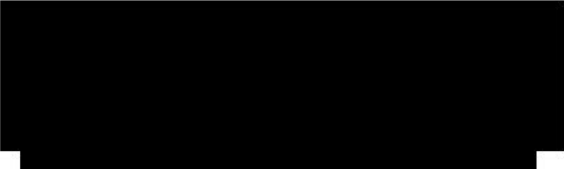
Improved processes to expediate the release of Crown Land for residential purposes is crucial to the City being able to attract housing investors. The NSW Government should support opportunities for expansion including changes to land-use or other factors that may provide roadblocks to development such as the connectivity of infrastructure such as power, water and telecommunication.

Council has been working with NSW Crown Lands to assess the feasibility of a number of parcels of land for industrial expansion and Native Title determinations play a significant role in the procurement of land for expansion. This will also impact on Council's ability to source appropriate residential land. Continued ongoing advice and support from government to Council and the assistance in the development of Indigenous Land Use Agreements will be required to ensure the procurement of land for residential and industrial purposes for the ongoing economic development of the City is successful, whilst protecting the interests of the Traditional Owners of the land.

Regulation and Planning Resources

Increasing regulation and control over development creates significant issues in regional areas and results in time delay, which can frustrate developers. Shortage of accredited building surveyors in the region is also impacting regional development. Council has only one full-time accredited Building Surveyor, and has been unsuccessful in attracting another permanent Surveyor, despite advertising the vacant position for over 12 months. The shortage has resulted in a backlog and delays in Construction Certificate approvals. The closest-located accredited Private Certifier, other than Council, is 300km from Broken Hill and this adds to project approval costs for a developer that may seek the services of a Private Certifier.

Council planning staff in many rural/regional councils, such as Broken Hill, do not have staffing resources to be able to spend great amounts of time on strategic planning, to provide strategic direction to encourage residential expansions or guidance, as their time is consumed by day-to-day statutory planning duties. There is an opportunity for the State Government to investigate opportunities to support rural and regional communities better services developers and investors to ensure appropriate housing development can be achieved.



JAY NANKIVELL
GENERAL MANAGER