

**OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE
ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE**

Organisation: Dubbo Regional Council

Date Received: 13 August 2021



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The Chair
Ms W Lindsay
Legislative Committee on Community Services
Parliament House
Macquarie Street
SYDNEY NSW 2000



Dear Ms Lindsay

INQUIRY INTO OPTIONS TO IMPROVE ACCESS TO EXISTING AND ALTERNATE ACCOMMODATION TO ADDRESS THE SOCIAL HOUSING SHORTAGE

Dubbo Regional Council thanks the Legislative Committee on Community Services for the opportunity to comment on the inquiry into options to improve access to existing and alternate accommodation to address the social housing shortage. Council recognises the need to integrate social housing into existing and new residential areas as it provides secure, affordable housing for people with a housing need on low to moderate incomes. Council's records indicate that approximately 5% of dwellings are provided by social/community housing providers.

Dubbo Regional Council services a current population of over 54,000 people and acts as an anchor service centre to an area almost one third the size of NSW. Council understands the importance that housing plays in the provision of adequate social services across the Dubbo Region and the wider NSW Region.

Research by Council indicates that there is a current undersupply of dwellings in the Dubbo Regional Local Government Area (LGA), which is potentially contributing to the social housing shortage.

General state of the housing market

Separate houses are the primary dwelling stock in the LGA and account for over 80% of total stock, with townhouses and units/flats making up less than 10% of total stock. Demographic analysis indicates a mismatch between dwelling stock and household composition. At the 2016 ABS Census, four-plus bedroom dwellings and three bedroom dwellings accounted for 42% and 37% of total stock, two bedroom dwellings accounted for 16% of total stock, and one bedroom dwellings accounted for less than 4% of total stock. However, one person households and couple only households accounted for 55% of total households. It appears that there is a need for smaller dwellings which could also address affordability issues.

The lack of diversity in dwelling types is demonstrated in the Development Application (DA) figures for the last three financial years. The majority of DAs were for single detached dwellings, but the number of DAs for multi-dwelling developments and dual occupancies increased slightly during the most recent financial year.



All communications to: **CHIEF EXECUTIVE OFFICER**

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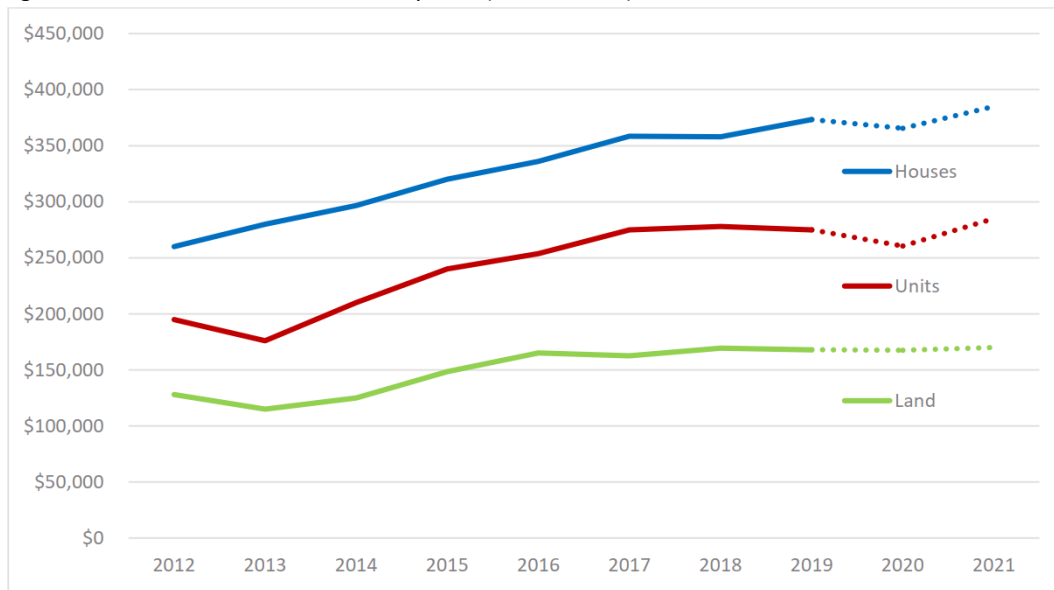
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HillPDA analysis indicates that over the last 10 years, house prices in Dubbo have increased by 48%, strata dwelling prices by 46% and land prices by 33%.

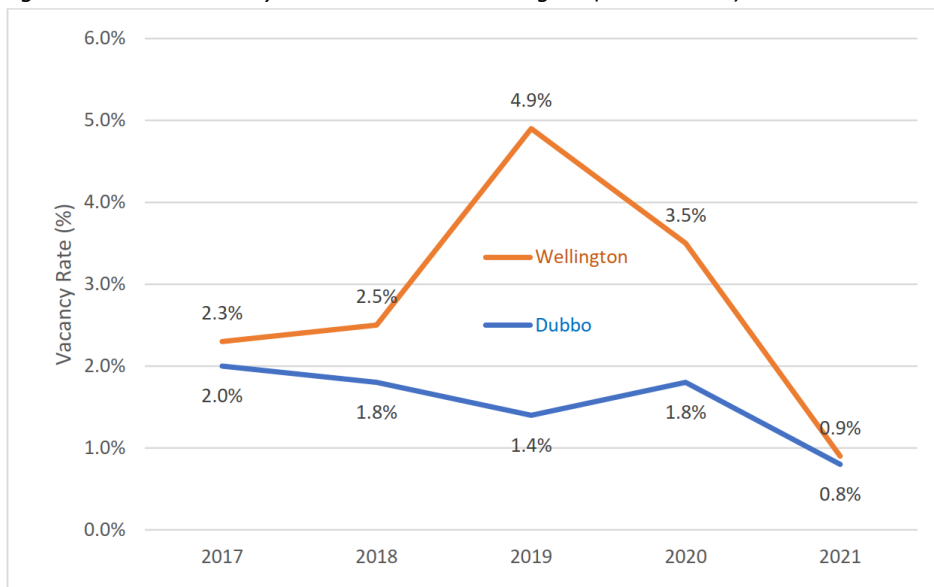
Figure 1—Dubbo house, land and unit prices (2012 – 2021)



Source: CoreLogic – Suburb Statistics June 2021, HillPDA Research 2021

HILLPDA analysis indicates that as of April 2021, the rental vacancy rate was less than 1%, demonstrating a high level of demand. These figures indicate a general undersupply of dwellings in the LGA.

Figure 2—Rental vacancy rates Dubbo and Wellington (2017 – 2021)



Source: SQM research June 2021, HillPDA Research 2021

Council's role in housing supply

Council's role in housing supply involves facilitating an appropriate supply and mix of housing to meet community needs and to develop strategies and policies that encourage the construction of affordable housing. It has a statutory responsibility to manage the raw land supply for residential development through the operation of the provisions of the Environmental Planning and Assessment Act 1979 and subsidiary Local Environmental Plans.

Council has a range of land use planning documents to guide the strategic availability of residential land in the region, including the Dubbo Residential Areas Development Strategy, Wellington Settlement Strategy, Dubbo Regional Local Strategic Planning Statement, and Dubbo and Wellington Local Environmental Plans.

Council's ability to address shortages of particular housing types.

Council has the following options to potentially address housing supply shortages:

- Supply of land – Council currently supplies land directly to the market as a result of owning and developing Keswick Estate. By doing so, Council facilitates the construction of single and dual-occupancy dwellings. Council can potentially set aside more Council-owned land and/or purchase more land, to subdivide and sell.
- Planning agreements – Council can investigate entering into planning agreements with large enterprises (eg mining companies, or solar/wind farm companies) requiring such enterprises to contribute to and/or build dwellings for their staff. These dwellings could then be made available to the community (via sale or rent) at the conclusion of a nominated period.
- Partnership with Private Community Entities – Council can explore entering into a partnership and/or joint venture with private community organisations, whereby Council supplies land and the organisation provides the funding to build and manage social housing within the region.

However, there are several legal, financial and perception risks that Council would need to consider if it intends to become a developer of dwellings, including the *Competition and Consumer Act 2010* (Cth) and the *Local Government Act 1993* (NSW).

General comments

Population increase and the attendant residential expansion have followed from the LGA's economic growth, largely resulting from its location in relation to primary production and transport networks, and its consequent convenience as a focus for services and administration. Residential development is primarily a response to economic growth in other sectors, not a cause of economic growth. If there is not the employment base and trading strength in an area to support an increasing population, then housing construction will not correct the problem.

Conclusion

Research indicates that there is a current undersupply of dwellings in the Dubbo Regional LGA as shown by price rises and declining vacancy rates; this is also evident in other regional NSW towns. There also appears to be a disparity between dwelling size, type and household composition in the Dubbo Regional LGA. However, market analysis indicates that there is a small but growing acceptance of alternative housing types amongst the community.

If you require any further information please contact the undersigned

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