



24 July 2023

3/21/4

Senator Janet Rice  
Chair  
Community Affairs References Committee  
PO Box 6100  
Parliament House  
Canberra ACT 2600

Dear Senator Rice,

**Re: Submission to the inquiry into the worsening rental crisis in Australia**

Thank you for the opportunity to comment on the worsening rental crisis in Australia, and the Tatiara in particular.

**A little background on the Tatiara**

The 'good country' is beautiful, prosperous and innovative. Centred around the commercial service hubs of Bordertown and Keith, the region takes in the prime sheep and cattle grazing areas around Willalooka, Mundulla and Wolseley and the wine growing region of Padthaway.

Our district has proven fertile ground for entrepreneurs, and our underground water and a mild Mediterranean climate drive our prosperous primary production sector – from livestock, wool and grain to seed growing, horticulture and wine. This is reflected in the intensive value-added industries that continue to expand in the Tatiara – from meat processing, seed cleaning and grain milling to timber processing and wine – as well as a vibrant national road and rail transport network.

We are in the enviable position of having run out of space at our industrial estates in Bordertown and Keith. We opened, and completely sold, stage 3 of the Bordertown Industrial Estate in 2020. We are currently developing stage 4, as well as stage 2 of the Keith Industrial Estate.

Though a small, regional community, the Tatiara's population increased by 3.8% between the 2016 and 2021 Census. Bordertown, our largest community, grew by 11% in the last 10 years, at the same pace as greater Adelaide over the same time period. Our growth not only outstrips other regional towns, it also commenced well before the more recent growth seen elsewhere in response to COVID-19.

In the March 2023 quarter, at a time when South Australia recorded an unemployment rate of 4.1%, Australia 3.6%, the Tatiara had an unemployment rate of 1.3%, representing full employment and meaning that our businesses must bring in significant labour from outside the region to fill vacancies.



**TATIARA DISTRICT COUNCIL**

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The RDA Limestone Coast collates data on job vacancies in the region from a number of sources, 24 in total. The data does not capture jobs advertised or filled by informal means like word of mouth, in a regional community like Bordertown, the real job vacancy figures will therefore be significantly higher.

In 2022, 734, or 12% of all Limestone Coast vacancies, jobs were advertised in the Tatiara. The Limestone Coast Regional Workforce Coordinator, an RDA/state government project, in June 2021 identified 151 jobs advertised in the Tatiara by 122 employers. 164 jobs, representing 75 employers in the Tatiara, were not or no longer advertised.

The challenge of recruiting staff to our regional area to fill these vacancies is made immeasurably more difficult by our inability to house them.

**The housing challenge**

The shortage of housing in regional areas has been well documented over many years, from recent state and federal parliamentary enquiries into regional development, migration and housing affordability to a 1998 Flinders University report into the *Shortage of Rental Accommodation in the Mid and Upper South East of South Australia*.

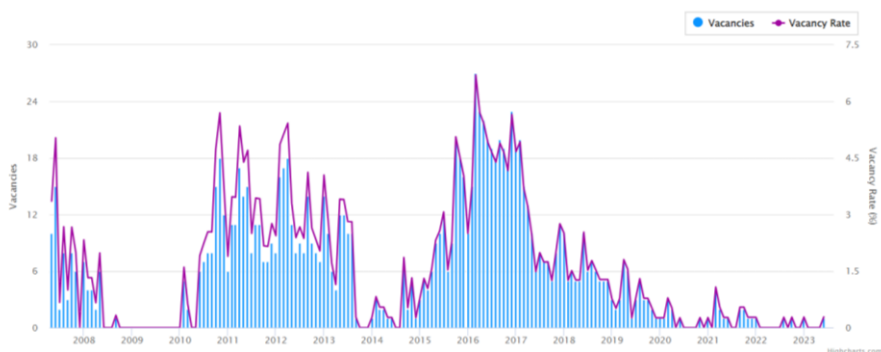
Our district is now experiencing a critical housing shortage that is providing a significant barrier to the recruitment of staff and serious risk to our economic prosperity. Businesses from all sectors, whether trades, diesel mechanics, car dealers, agricultural machinery and supplies, manufacturing or engineering, whether 5 or 500 staff, have provided numerous examples of their inability to grow, or in some cases operate at capacity, because there is no accommodation for the staff they need. Real estate data indicates the current shortfall to be an estimated 400 homes in Keith and Bordertown.

From a rental perspective, residential vacancy rates have been below 1% for both towns for years.

**POSTCODE 5268**

Residential Vacancy Rates

Source: SQM Research



Source: <https://sqmresearch.com.au/> Bordertown 5268



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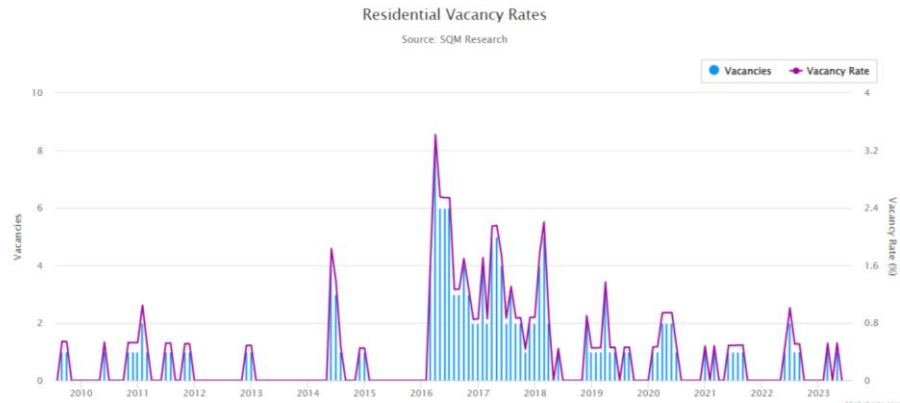
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## POSTCODE 5267



Source: <https://sqmresearch.com.au/> Keith 5267

The factors behind this housing crisis are:

- *Population trends* exacerbating an existing shortage – as above, the Tatiara has recorded a 3.8% population increase, Bordertown an 11% population increase, on par with Greater Adelaide. Importantly, this population increase commenced many years prior to the more recent population shift noted in other regions in the wake of COVID-19.
- *Commercial viability* (or rather, lack thereof) for private developers - no capital gains compared to the metropolitan market, the cost of developing land or building in regional areas exceeds the future value of the land or home built, and a less diversified economy with a lower number of major employers poses a higher risk to the rental market and investment made.
- Less finance - bank *Loan-to-Value Ratios* are considerably lower for regional locations (= 50% finance) versus metropolitan areas (= 80-90% finance), impacting owner builders as much as private developers.
- Inability of new staff and migrant workers to access finance (probationary periods, visa conditions). For some of our migrant workers, debt financing is also culturally unacceptable.
- Significant demand on local builders and trades - anecdotal commentary from our local builders indicates that they are already committed to 2-3 years of builds.

## Solution

Our district's diverse economy and community result in equally diverse housing needs, from 2 – 4 bedroom rental accommodation, market rent or affordable, to 1 bedroom, low cost workers accommodation, short and medium term, and finally downsizing/retirement living options.

To overcome the barriers outlined above, a multifaceted response is required:

- Regional homeowner loan guarantee to close the finance gap from traditional lending institutions.
- National Housing Finance and Investment Corporation (NHFC) review to close the finance gap for private developers committing to the development of affordable rental accommodation.



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- NHFIC review separating the National Housing Infrastructure Facility's (NHIF) funding and debt financing options to open this opportunity to local government.
- Increased staffing capacity for administration of the NHIF to enable management of smaller scale regional projects.
- Infrastructure funding to support the development of land in regional areas where the development of infrastructure would otherwise be cost prohibitive/unviable.
- Infrastructure funding for Community Housing Providers to develop affordable housing in areas of market failure.

For your information, I have included over the page information on Tatiara District Council's response to the housing challenge to date.

I would be pleased to provide further information and can be contacted on email \_\_\_\_\_ or mobile \_\_\_\_\_.

Yours faithfully,

Anne Champness  
Chief Executive Officer

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# KEY WORKER HOUSING

## Our Response

### Complete:

- ✓ **8 cabins** – 5 x 2BR, 1 x 3BR, 2 x 2 BR all abilities built at **Bordertown Caravan Park** \$1.4m, joint project local and federal government BBRF IV

### Underway:

- ✓ Construction of **8 1BR workers accommodation units** at Bordertown Caravan Park, \$675k, joint project local and federal government BBRF V
- ✓ **Joint Councils Key Worker Housing project**, exploring development of 60 – 80 homes in Coorong, Naracoorte Lucindale, Southern Mallee and Tatiara LGAs, including Bennett Street, Keith, a proposed 22 allotment residential development on Council land, and Ramsay Terrace, Bordertown, with a possible 40 allotments
- ✓ **Limestone Coast Regional Plan & local planning scheme review** – including rural and residential living in Bordertown, Keith and Padthaway

### To commence 2023:

- ✓ **Unity Housing to construct 2 x 4BR affordable homes**, partners: Council contributing land (Seventh Street, Bordertown), SAHA contributing funding
- ✓ **rate holiday** for developers in Annual Budget 2023/2024

