Regional Workforce Accommodation Solutions Study

Overview of Regional Issues and Solutions

Prepared for the (SA) Office of Regional Development
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Input from the Limestone Coast Regional Development Board, South East Local Government Association, Murraylands Regional Development Board, Murray & Mallee Local Goverent Association, Murray Mallee Strategic Task Force, Local Government Association of SA and a range of Local Governments and State Government agencies was critical to the successful outcome of the project. Key agencies included Planning SA, Department of Human Services, Department of Industry and Trade, Department for Administrative and Information Services, Department of Premier and Cabinet, Tourism SA, Treasury and the Office of Local Government.

The project was guided and managed by a focussed and committed Steering Committee, consisting of Leon Mills, Ron Ellis, Sally Pederick, Ken Coventry, Mark Bagshaw, Linda Graham, Anthony Rowe, David Beaton, Liz Hodgman, Glenn Sandford and Rod Walsh.

Finally, thanks to the HASSELL led team consisting of Dr Andrew Beer of Flinders University, Michael Kelledy and Michael Fabbro of Norman Waterhouse Lawyers, Colin Fairchild from ANZ Bank, and Graham Gaston, Michael Richardson, Chris Menz, Matt Wilson, and Irene Jones from HASSELL and input from the University of South Australia, particularly from Peter Rossini and Valerie Kupke.

This report does not represent State Government Policy. The report has been prepared for the State Government's Office of Regional Development based on local research and recent consultation processes. It is anticipated that the findings of this project will play a significant role in the State's deliberations and responses to regional workforce accommodation issues.

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EXECUTIVE SUMMARY

Background

In October 2000, the (SA) Office of Regional Development prepared a Discussion Paper on “Housing and Regional Development” designed to highlight the issues associated with a lack of responsiveness by the housing market to provide affordable workforce accommodation in many regional areas. This failure is particularly evident in those regions which are restructuring their economies to embrace more labour intensive and value adding industries such as horticulture, viticulture, food processing, wine making, and aquaculture. Despite this encouraging economic and employment growth, real estate investors are not responding to workforce accommodation needs.

The term workforce accommodation includes a range of housing: seasonal workers hostels, caravan parks, backpackers hostels, residential flat buildings, semi-detached dwellings and detached dwellings. These forms of accommodation can host a range of workers (government employees, seasonal and permanent) who choose to rent or purchase accommodation.

Identified shortages of workforce accommodation in regional areas experiencing employment growth and new forms of economic enterprise, represent a potential disincentive to industries seeking to establish or expand in the area. Research indicates that the inability to gain access to affordable rental accommodation can “limit the development of these regions as labour force growth will not be translated into population growth and the leakage of expenditure from the growing regions will be exacerbated” (Beer, A: unpublished draft).

Accordingly, the Office of Regional Development engaged representatives from regional organisations and State Government departments to formulate a collaborative response to these and other emerging accommodation shortages. This initiative resulted in the Regional Workforce Accommodation Solutions Study being awarded to HASSELL in association with:

- Dr Andrew Beer of the Flinders University of South Australia;
- Norman Waterhouse Lawyers;
- ANZ Bank Corporate and Finance; and
- A V Jennings Limited.

Aim of Report

The objective of the Regional Workforce Accommodation Solutions Study was to recommend a range of realistic solutions which can be successfully implemented to address the shortage of workforce accommodation, in addition to providing broader policy input to assist the Commonwealth, State and Local Government’s policy formulation responsibilities.

The aim of this particular Report: *Overview of Regional Issues and Solutions,* was to summarise the previous three reports which, by building on local research and recommendations and presenting an overview of solutions for Commonwealth, State and Local Government.

Previous Reports

The methodology associated with this project involved a four stage process resulting in the acceptance of the following reports:

Stage 1: Issues Identification and Consultation Report (October 2001);

Stage 2: Options for Solutions: Discussion Paper (November 2001);

Stage 3: Recommended Solutions Discussion Paper (January 2002); and

Stage 4: (i) Policy Solutions for Commonwealth, State and Local Governments (March 2002)
(ii) Issues and Solutions for the Murraylands/Murray Mallee Region (March 2002); and
(iii) Issues and Solutions for the South East Region (March 2002).

Supplementary Projects

To supplement this project the Regional Workforce Accommodation Solutions Steering Group has commissioned three additional projects relating to (i) Regional Growth Scenarios, (ii) Medium-term Outlooks, and (iii) an Issues Paper.

In particular, the Steering Group has engaged economists through the following two separate consultancies to:

— model the economic and unemployment impact of industry specific growth scenarios in the two case study areas (using Input-Output Models), e.g. model the flow-on effect (to jobs and the economy) of a quantified expansion in vineyards in the South-East;

— model the medium term (10 years) economic and employment outlook for each region (using a Computable General Equilibrium (CGE) Model), e.g. model the expected growth/decline in the workforce in the Murraylands / Murray Mallee over the next 10 years.

The Steering Group has also engaged Dr Andrew Beer (Flinders University) to prepare an Issues Paper for the national Standing Committee on Regional Development, seeking recognition of workforce accommodation as a national issue. Using South Australia as a case study, the paper explores the role of the Commonwealth Government (including an examination of existing programs and proposals for taxation incentives) and the need for inter-government cooperation.

EXECUTIVE SUMMARY

Summary of Key Issues and Recommendations

Having regard to the previous investigations and reports associated with this study, key issues are summarised in this report, together with recommended solutions.

Supply Issues

There is a shortage of inexpensive and suitably located short term rental accommodation (eg worker hostels, caravan park cabins and similar forms of accommodation) in Murray Bridge, Pinnaroo, Coonalpyn, Bordertown, Naracoorte and Penola, amongst other towns in the case study regions.

Recommended Solution

- Identify appropriate funding sources and then investigate and co-ordinate State and Local Government initiatives to provide affordable finance to providers of short term accommodation.
- Provide investors with a business feasibility / planning template and information pack to assist investors to assess the advantages and disadvantages of potential investment decisions relating to short-term accommodation.
- Regional Development Boards to facilitate an approach to businesses (including financial institutions) to consider supporting independent business feasibility studies relating to short term accommodation needs.
- Where necessary amend planning policies, and increase community understanding of issues in respect to promoting temporary accommodation within townships.

There is a shortage of quality detached dwellings, for rent or sale, in Murray Bridge, Pinnaroo, Bordertown, Naracoorte and Penola, amongst other towns in the region. This issue also impacts on the ability of the Murraylands / Murray Mallee region to recruit medical and teaching personnel, particularly in Karoonda and Lameroo.

Recommended Solutions

- Stimulate private sector investment by providing accurate information regarding capital growth and income figures for rental properties in association with a business feasibility planning template.
- Utilise HomeStart funding to increase the supply of dwellings.
- State and Local Governments and the private sector to consider targeted headlease agreements to both the private and public sectors (eg private sector builds dwellings and leases them back to the State for government employees).
- In areas of demand for government employee housing, the State builds additional homes for government employees and divests lower quality housing stock which would increase the available housing for rental or purchase in the township.
- Commonwealth and State Government to address depreciation, stamp duty and infrastructure costs.
- Investigate opportunities for workforce accommodation on land surplus to State Government requirements and review existing disposal procedures.
- Adopt a partnership approach between State and Local Government to promote the development of housing suitable for older people within towns, providing them with choices and opportunity to relocate within their region. This will increase the supply of housing within the locality which may increase the availability of rental housing.
- Ensure SACHA explore the feasibility of introducing additional community housing projects in rural South Australia with local partners.

The cost of constructing dwellings in regional South Australia is higher than in metropolitan Adelaide.

Recommended Solutions

- Stimulate local investment in the housing sector via a number of recommendations contained in this report, thereby potentially increasing the size of the market for builders which in turn assists in their economies of scale.
- Promote the use of quality transportable dwellings in appropriate locations, in association with a community consultation programme
- Provide accelerated depreciation to provide tax benefits (consider targeting and time restricted applications).
- Target HomeStart initiatives to assist with new home construction.

The shortage of alternative accommodation for older people in some towns means larger houses are not available for workers to buy and/or rent and the quality of the housing deteriorates as the older person is unable to care for their property.

Recommended Solution

- Adopt a partnership approach between State and Local Government to promote the development of housing suitable for older people within towns, providing them with choices and opportunity to relocate within their region. This will increase the supply of housing within the locality which may increase the availability of rental housing.

Few industries, excluding some labour hire firms, are prepared to be involved in the provision of workforce accommodation, including guaranteeing rental income via a headlease.

Recommended Solution

- Consider sharing the risks associated with a headlease agreements with State and Local Governments and the private sector.
- Provide an information package to accommodation providers, employers and employees regarding rent assistance opportunities to low income earners via CentreLink.
- Utilise the existing FBT exempt status of housing in “remote areas” to promote employer provider workforce accommodation to employees.

Anecdotal information recorded the practice of some landlords and property managers to refuse to rent dwellings for short term tenancies to seasonal workers or meat processing personnel, excluding families. This discriminates against them and impacts on their ability to accept or continue their employment.

Recommended Solutions

- Develop opportunities for on site supervised independent accommodation arrangements (eg caretakers / resident managers).
- ‘Reduce’ the risk to some landlords, by developing a programme where employers deduct bond and rental payments from employees wages with their agreement.
- Increase the supply of accommodation suitable for short term rental.

Financial Issues

Perceived low level of capital growth and income return from direct investment in residential development in some regional areas.

A lack of sources of affordable funds to support the development of caravan park, worker and/or tourist hostel accommodation.

Potential difficulties for private investors to secure funding for short term workforce accommodation.

Recommended Solutions

- Investigate potential for State and Local Government to provide support for business planning for operators of workforce accommodation. Existing models include support provided by Regional Development Boards through the Department of Industry & Trade.
- Identify and co-ordinate a range of affordable funding sources for those developing workforce accommodation, particularly in respect to medium density dwellings.
- Provide investors with a business feasibility planning template and information pack to assist investors to assess the advantages and disadvantages of potential investment decisions relating to residential accommodation (including capital growth figures).
- Headlease agreements supported by State and Local Government for private and public sector employees.
- Raise workforce accommodation issues with financial institutions, which may be sympathetic to regional communities.
- Communicate with the community and investors regarding the long term benefits to the region of meeting short term workforce accommodation needs.

Planning Policy

Existing Development Plan policies generally do not support the development of workforce accommodation needed in these areas.

There is potentially an inadequate medium term supply of serviced affordable residential allotments, particularly in Murray Bridge and Bordertown (but not restricted to these towns), having regard to the long timeframes between policy investigations and actual delivery of allotments.

Recommended Solution

- Update the Planning Strategy to reflect Government policy in relation to workforce accommodation.
- Ensure workforce accommodation issues are considered by Councils when reviewing their Development Plans as required by Section 30 of the Development Act.
- Ensure Council's pro-actively identify land for workforce accommodation in appropriate locations.
- Prepare a Workforce Accommodation Planning Bulletin which provides Local Planning Authorities with a Model PAR including information relating to best practice design outcomes which achieve affordable constructions methods (or update the Residential Planning Bulletin)

Government

This study has identified the need for local government to facilitate broader local community discussion regarding types of housing considered to be appropriate in particular areas.

Recommended Solution

- During the review of planning policies, ensure an appropriate level of community consultation is undertaken regarding this issue.

The roles, responsibilities and funding for workforce accommodation needs to be clarified at all three levels of government.

It is important to determine which State Government agency is best suited to take a lead role with respect to workforce accommodation.

When offering advice and assistance to providers of workforce accommodation, government agencies need to have regard to a range of whole-of-government issues prior to dispensing such information. Such issues include planning policy, housing subsidies and development priorities.

There is a lack of information available to assist Governments in understanding the scope, location and urgency of issues associated with accommodation shortages.

Recommended Solutions

- Co-ordinate collection of micro data to better understand the supply and demand for housing in specific locations. Data should be collected for the purposes of –

  (i) understanding potential private sector investment opportunities, and to

  (ii) determine the level of potential government intervention required.

  This data needs to include township migration figures and availability of housing stock. Actual data requirements and sources need to be confirmed.
- Strive to develop workforce accommodation indices that confirm and quantify the accommodation shortages within individual regions in South Australia. These indices should be used to identify communities that qualify for Government assistance measures.
- A more comprehensive and co-ordinated State Government approach to this issue is required. Any approach should provide on-the-ground resources and promote a partnership approach with local governments. The role of Regional Development Boards as a conduit for support and resources should be recognised.
- Regional Development Boards in partnership with Local Government should establish local forums whereby employers, accommodation providers and labour hire firms and other regional stakeholders are brought together with government agency representatives to develop local solutions and provide advice to the government on regional issues related to workforce accommodation.

The private sector also needs to take greater responsibility in addressing this issue, and therefore a range of strategies are recommended. However, it is very evident that for many years market conditions have not been conducive to stimulate private sector investment. Hence some level of government facilitation is required to address the issue of regional workforce accommodation.

Next Steps

At the local level, it is recommended that the establishment of co-operative regional groupings of local government and regional development boards progress the relevant recommendations of this report through the proposed Workforce Accommodation Forums.

At the State level, it is anticipated that the recently established cross-government Regional Workforce Accommodation Solutions Implementation Group will review the reports and progress the relevant recommendations.

At the national level, it is anticipated that recommendations concerning the Commonwealth Government will be forwarded to the Ministerial Council on Regional Development (comprising Regional Development Ministers from the Commonwealth, States and Territories, and the Australian Local Government Association).

01 INTRODUCTION

1.1 Background

In October 2000, the (SA) Office of Regional Development prepared a Discussion Paper on "Housing and Regional Development" designed to highlight the issues associated with a lack of responsiveness by the housing market to provide affordable workforce accommodation in many regional areas. This failure is particularly evident in those regions which are restructuring their economies to embrace more labour intensive and value adding industries such as horticulture, viticulture, food processing, wine making, and aquaculture. Despite this encouraging economic and employment growth, real estate investors are not responding to regional workforce accommodation needs.

The term workforce accommodation includes a range of housing: seasonal workers hostels, caravan parks, backpackers hostels, residential flat buildings, semi-detached dwellings and detached dwellings. These forms of accommodation can host a range of workers (government employees, seasonal and permanent) who choose to rent or purchase accommodation.

Identified shortages of workforce accommodation in regional areas experiencing employment growth and new forms of economic enterprise, represent a potential disincentive to industries seeking to establish or expand in the area. Research indicates that the inability to gain access to affordable rental accommodation can "limit the development of these regions as labour force growth will not be translated into population growth and the leakage of expenditure from the growing regions will be exacerbated" (Beer, A: unpublished draft).

Accordingly, the Office of Regional Development engaged representatives from regional organisations and State Government departments to formulate a collaborative response to these and other emerging accommodation shortages. This initiative resulted in the Regional Workforce Accommodation Solutions Study being awarded to HASSELL in association with:

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1.2 Aim of Report

The objective of the Regional Workforce Accommodation Solutions Study was to recommend a range of realistic solutions which can be successfully implemented to address the shortage of workforce accommodation, in addition to providing broader policy input to assist the State and Local Government's policy formulation responsibilities.

The aim of this particular report was to summarise the previous three reports by building on local research and recommendations and presenting an overview of solutions for commonwealth, State and Local Governments.

Separate reports have been prepared in relation to the more specific issues and solutions pertaining to the South East and Murraylands / Murray Mallee Regions.

1.3 Case Study Areas

The case study areas are defined as the Murraylands / Murray Mallee and Upper South East regions. Map 1 illustrates the regions within South Australia, with the Murray Mallee contained in the Murraylands / Murray Mallee, and the South East contained within the Limestone Coast.

1.4 Methodology

The findings and recommendations contained in this report were based on a four stage approach. The first stage incorporated the following tasks:

— Project Initiation Meetings;

— Desktop Review;

— Consultation with Regional Development Boards, Task Force and State Government Agencies;

— Employer Telephone Surveys;

— Real Estate Agents, Labour Hire, and Local Government Interviews;

— Proposed Employee Focus Group Meetings.

The first stage resulted in the preparation of an "Issues Identification and Consultation Report (October 2001)".

The second stage comprised a targeted search of international, national and State public and private workforce accommodation models and associated funding approaches. Investigations addressed:

— the role of taxation policy, including Fringe Benefits Tax, reduced stamp duty, and accelerated depreciation of housing investments;

— provision of affordable loans for expansion of caravan parks and/or workers' hostels by local and/or State governments;

— provision of accurate housing market investment information to potential investors;

— State and local government, and private sector joint ventures;

— appropriateness of existing Development Plan Policies;

— supply of residential zoned/serviced allotments;

— Defence Housing Authority model;

— Mildura Entertainment Centre model;

— employer/property investor headlease model;

— requirements for private sector funding sources.

This stage resulted in the preparation of an “Options for Solutions: Discussion Paper (November 2001)”.

The third stage tested these potential solutions at regional consultations in Bordertown, Naracoorte, Tailem Bend and Lameroo. In addition, consultations were held with a range of government agencies, the Department of Human Services, Real Estate Institute of SA and the Local Government Association of SA.

At each of the consultation sessions, participants were presented with a range of potential solutions. Key solutions were discussed by the group in respect to (i) applicability to the region, (ii) advantages, and (iii) disadvantages. This process enabled the consultants to identify priority solutions at both the generic and area specific levels.

Stage three resulted in the preparation of a “Recommended Solutions Discussion Paper (January 2002)”.

The final stage involved fine-tuning the recommendations and tailoring them to the State Government and the two regional case studies. The fine-tuning process involved a workshop with government agencies on Tuesday 5 March 2002, and two separate workshops with regional stakeholders at Murray Bridge and Naracoorte on Wednesday 6 March 2002.

Stage four resulted in the preparation of three reports:

— Overview of Regional Issues and Solutions (this document);

— Issues and Solutions for the Murray Mallee / Murraylands Region; and

— Issues and Solutions for the South East Region.

01 INTRODUCTION

Map 1

02 COMMON REGIONAL ISSUES

2.1 General

The influx of seasonal and permanent workforces into communities impacts on regional social and physical infrastructure as well as reducing the availability of affordable housing. With respect to housing, many stakeholders interviewed during this study including Local Government CEOs, employers, labour hire firms, caravan park operators and real estate agents have indicated a shortage of (i) inexpensive accommodation for seasonal workers such as workers' hostels, (ii) rental accommodation for year long seasonal workers and permanent workers, and (iii) reasonable quality dwellings for purchase for workers who have long term career aspirations within the regions.

Having regard to the desktop analysis and key stakeholders consultation, the key issues impacting on regional workforce accommodation include:

2.1.1 Supply

— A shortage of a range of inexpensive and suitably located short term rental accommodation (e.g. workers' hostel, caravan park cabins and dwellings) throughout the regions, including (but not restricted to) Murray Bridge, Pinnaroo, Coonalpyn, Bordertown, Naracoorte and Penola.

— A shortage of supply of quality detached dwellings for rental and sale within the regions including (but not restricted to) Murray Bridge, Pinnaroo, Bordertown, Naracoorte and Penola. This issue particularly relates to the ability of the Murraylands / Murray Mallee region (particularly Karoonda and Lameroo) to recruit medical and teaching personnel.

— The cost of constructing dwellings within the region is higher than in metropolitan Adelaide, thereby impacting on potential investment returns.

— The shortage of alternative accommodation for older people in some towns means larger houses are not available for workers to buy and/or rent.

— A lack of industries (excluding some labour hire firms) which desire to be involved in the provision of workforce accommodation (including guaranteeing rental income via a headlease).

— Anecdotal information recorded the practice of some landlords and property managers to refuse to rent dwellings for short term tenancy agreements to seasonal workers and meat processing personnel (excluding families). This discriminates against them and impacts on their ability to accept or continue their employment.

2.1.2 Financial

— "Perceived" low level of capital growth and income returns of direct residential investments in some regional areas for existing stock.

— A lack of appropriate sources of affordable funds to support the development of caravan park, workers' or/and backpacker hostels.

— Potential difficulties for private investors to secure funding for short term workforce accommodation.

2.1.3 Planning Policy

— Existing Development Plan policies, which generally do not promote the type of workforce accommodation needed in these areas.

— There is potentially an inadequate medium term supply of serviced and affordable residential allotments, particularly with respect to Murray Bridge and Bordertown (having regard to the long time frames between policy investigations to delivery of allotments).

2.1.4 Government

— This study has identified the need for local governments to facilitate broader local community discussion regarding types of housing considered to be appropriate in particular areas.

— It is important to determine which State Government agency is best suited to take a lead role with respect to workforce accommodation.

— During the provision of advice and assistance to providers of workforce accommodation, government agencies need to have regard to a range of whole-of-government issues prior to dispensing such information.

— The roles, responsibilities and findings for workforce accommodation needs to be clarified at all three levels of government.

2.1.5 Local Perceptions

— Local communities' perceived concerns regarding residing near short term workers' accommodation.

2.2.6 Impacts

The shortage of regional workforce accommodation has the following detrimental ramifications:

— Retarding regional economic growth by restricting the ability of industries to attract and retain labour;

— Individuals who are actively seeking work within these regions are "locked-out" by the inadequate supply of suitably priced accommodation;

— Inability of local economies (eg local retail and service industries) and existing social infrastructure (eg schools) to capitalise on the demand for their products and services; and

— Restricts the provision of regional services at the level required in areas such as health, education and policing.

2.2 Priorities to be Addressed: Short Term Seasonal Accommodation

The highest priority is the need for inexpensive seasonal accommodation within both regions, followed by the need to increase the stock of appropriate short term (eg 3-6 months) rental accommodation. With respect to short term rental, the problem is exacerbated due to the reluctance of some landlords and property managers to release accommodation to seasonal and meatworkers for short term residential tenancy agreements.

There are some private sector examples of how individuals are striving to address the need for inexpensive seasonal accommodation, focussing on workers' hostels and a combination of tourist and seasonal workers' accommodation. However, it appears that some of these individuals are being hampered by the lack of affordable funding, appropriately zoned land and community opposition.

2.3 Rental Property Markets in Regional Areas

With respect to rental of existing dwellings, it was interesting to note that capital growth and income on residential investment rates were generally higher in some of the identified towns, compared with the average metropolitan Adelaide rates. The following four key criteria often determine the appropriateness of a real estate investment decision:

- return on investment (capital and income);
- occupancy rate;
- available stock; and
- liquidity of the investment.

The size of the population in a sub-market exerts a significant influence on the operation of the private rental market. It is important both because of the reliance on the local population for investment in rental dwellings and because population size is a signifier of amenity. Previous research by Beer (1997) indicated that at the national level, non-metropolitan landlords differ little from the national average so it is likely that there is more than one set of processes at work. Regardless of the precise mechanisms, the lessons for policy appear clear: governments seeking to stimulate the supply of private rental housing should focus on the larger urban centres. Strategies and actions that assist these places are likely to be more effective and in the longer term result in a sustainable private rental market.

It is valuable to consider the broader implications of this research for the understanding of non-metropolitan housing markets. It has often been suggested home buyers can become "entrapped' in depressed regional areas, by falling house prices and low incomes (Budge *et al* 1992). However, this research has shown that the converse also seems to apply: private renters may be locked out of fast growing non-metropolitan regions simply because they cannot gain access to rental housing. This may compound negative effects. It will limit the development of these regions as labour force growth will not be translated into population growth and the leakage of expenditure from the growing regions will increase.

Beer indicates that the shortage of rental accommodation is the product of a relatively simple process: growth in the region's exporting industries has created a demand for labour from outside the region, which has in turn created a demand for rental accommodation that has outstripped supply. This problem has been exacerbated by a number of factors:

— the changing role of the public housing sector in Australia. In earlier periods (such as the early 1970s) the South Australian Housing Trust built accommodation in the region to meet demand generated by employment growth. Having regard to constrained public sector housing funding sources throughout Australia, State housing authorities are finding themselves targeting their resources to households in greatest need. Hence, their traditional activities in the creation of additional rental stock for workforce accommodation is therefore no longer available;

— the relatively low incomes of many of the persons seeking rental accommodation. A significant percentage of those seeking rental housing are on relatively low wages in, say, the viticulture industry. They cannot afford very high rents and this may impede investment in rental properties. Some of the employment is also seasonal, which may reduce the attractiveness of renting out properties; and

— poor knowledge of housing market conditions in the region as a whole. Very few persons have a clear idea of the nature and extent of the shortage of rental accommodation in these regions. In part it also reflects the fact that the problem has crept up on these regions where major vineyard plantings have taken place, wine making capacity has increased, tourism grown and meat industries have expanded.

In addition to Beer's findings, additional contributing factors to the shortage of accommodation include:

— landlord and property manager concerns about renting dwellings for short terms to seasonal workers; and

— the perception of greater risks in association with lower rental incomes and capital growth within regional areas.

03 EVALUATING POTENTIAL SOLUTIONS

3.1 Lessons From International Experience

The review of international experience has shown that governments around the globe have recognised that there can be failures in the supply of workforce accommodation in rural areas. In some countries, such as Germany, nation-wide systems of subsidies ensure that rural areas have adequate accommodation. In Sweden the government is even more proactive, with a designated agency explicitly linking regional development programs with housing provision. Most European nations, however, have far higher tax bases and are more interventionist within their economies than Australia. The policies developed and implemented in Europe are unlikely to be transferable to Australia: they would simply be too expensive to win the support of government.

The United States of America has also recognised the need to act to ensure accommodation for workers in rural areas. They have a number of programs that are tightly targeted and intended to ensure the supply of housing for rural workers. The United States Government has recognised that accommodation shortages can retard economic development in the rural areas. Significantly, the United States government provides financial assistance both for rental housing and home ownership.

3.2 Review of Australian Initiatives

It is evident that the development of housing policies or programs specifically for rural or regional areas is undeveloped or underdeveloped in most Australian states. Victoria and Tasmania effectively have no specific housing programs to assist rural residents. Persons living in rural NSW aiming to gain access to private rental housing would benefit from the Rentstart and Rentstart Plus programs. Queensland has a specific public housing program directed to meeting the housing needs of regional residents. Western Australia has a comprehensive suite of measures, including specialist agencies and low cost loans for investors.

Like South Australia, the Western Australian Government has also been confronted by the problem of a shortage of accommodation in rural areas adversely affecting economic growth. It has reviewed options and considered:

- Development of a new agency with a long-term mandate to intervene in regional housing markets;
- The use of Federal infrastructure bonds, (no longer available);
- Stamp duty concessions for house purchasers in regional areas;
- Low or below cost provision of land for development by local governments;
- The provision of affordable loans to housing investors.

Some of the initiatives developed and applied in other states could be of value in South Australia.

3.3 Seasonal Workers Accommodation

Seasonal workers can be appropriately accommodated via:

- Most caravan parks within the region subject to expanded facilities;
- ‘Harvest Trail’ type accommodation (mix of backpackers and seasonal workers) and
- Transportable buildings/workers hostel (managed by labour hire firms and/or transportable builders).

3.3.1 Expansion of Caravan Parks / Workers Hostel

The option to increase the supply of caravan park and/or workers’ hostel style accommodation for transient workers and those moving into the region has considerable merit. This type of accommodation alone will not solve the rental housing problems of the region as it will not meet the needs of “middle management”, nor will it provide a solution to workers and their families seeking to settle permanently in the region. However, it will provide a useful solution for the needs of one important component of overall demand.

The caravan park operators would require affordable funding from government to ensure the appropriate implementation of this option.

These initiatives will go some way to addressing the shortage of this style of accommodation. Steps to be considered include:

- Continuing to provide assistance to appropriate labour hire companies in establishing accommodation sites.
- Seek out sources of investment funding that could assist the expansion of caravan parks. This could be a grant from State or Local Government, or a loan from the private sector.
- Upgrade the accommodation in the caravan parks by replacing the caravans with park homes. This could require the injection of additional capital.
- Facilitate negotiations between transportable accommodation providers, labour hire firms and real estate property managers to provide workforce accommodation solutions.
- Ensure local Development Plans address the need to identify land use zones that support caravan parks / workers hostel developments.

3.3.2 Harvest Trail

This approach appears to indicate that it is possible to obtain investment from regional people (and the State Government) in accommodation projects provided these indicate a reasonable rate of return.

Although this proposal has considerable merit, from the perspectives of workforce accommodation, one concern about this model would be the potential for pent up demand for low cost tourism accommodation to reduce the availability of accommodation for workers.

It is also unclear what the response of seasonal workers, other than backpackers, would be to sharing a room with up to three strangers for periods of up to three months.

3.3.3 Labour Hire Firms / Builders of Temporary Dwellings

This approach is attractive on a number of grounds. In the first instance, it will add to the level of investment in the private rental market in the region. Investment by builders would boost private investment in the rental housing and further contribute to job growth.

3.3.4 Community Expectations / Planning Policy

Planning strategies and local Development Plans require further investigations to ensure they are pro-active in the promotion of temporary accommodation in appropriate locations within townships.

Furthermore, local government in association with their community need to promote informed dialogue about the location of workers hostels or similar developments. Residents traditionally prefer to reside near standard single story detached dwellings occupied by their owners. The issues associated with these preferences need to be discussed in a transparent and informed manner to ensure workforce accommodation is not unfairly discriminated against. The design and quality of what is proposed also needs to be appropriate for its location. Community acceptance is more likely if the amenity of the township is not compromised.

3.3.5 Workforce Bus Service

Associated with the issue of seasonal workers is the need to consider transport needs. Two bus services tailored to workers within the Riverland are examples of successful formulas. The services collect workers from the Berri caravan park and hostel and transport them to the picking sites. The first service is funded by Employment National, Angas Park Co, and the Regional Development Board, while the second service is funded by the same recruitment firm and Board but with Simarloo Co.

Key criteria include the need to have a coalition of funding sources from (i) recruitment or labour hire firm, (ii) government and (iii) employer.

Employment National indicate that the service provides many benefits to the employer, including a more stable workforce. However, workers have expectations that the employer will provide a lunchroom and associated facilities on site.

3.4 Permanent Workers Accommodation

Permanent workers require dwellings to rent and/or purchase. Rental accommodation is required particularly when workers migrate to a locality with the aim of assessing employment and lifestyle conditions, before considering relocating their families.

Although there is a shortage of dwellings in particular localities, there is also a practice of some landlords' and property managers' to refuse to rent dwellings for short-term tenancy agreements to seasonal workers and meat processing personnel (excluding families).

Discussions with AV Jennings Homes have indicated that if the underlying residential market does not significantly improve in regional South Australia, there is little incentive for local communities to contract builders to construct homes. Although there is sound capital growth and income returns for existing residential properties, the median sale price for existing dwellings is below the likely development cost for a land and house package, therefore there is little incentive to construct new dwellings.

Having regard to existing housing market conditions, government intervention of some form (potentially including equity involvement) is required to ensure regions experiencing economic growth can continue to prosper and house workers.

3.4.1 Establishment of a Residential Property Trust

Governments, in partnership with the private sector, may establish a Residential Property Trust. This Trust would include a partnership of governments most directly affected by the shortage of rental accommodation. The Trust would raise relatively inexpensive capital through public and private sector funding that could then be invested in private rental housing.

The Residential Property Trust would receive a viable return on its capital. It is important to note that a significant percentage of this investment should go to the construction of new dwellings. One or more local real estate agents should be retained to manage the dwellings on behalf of the Residential Property Trust.

Investigations for this report have considered the establishment of a Residential Property Trust. A trust could have a number of advantages, including:

— Simplicity – the Trust would be easy to set up and administer;

— Accountability – control of the Trust would likely be in the hands of a small group of councils and management of the Trust would be relatively straightforward;

— Interest – governments have a vested interest in ensuring that the residential accommodation problem is solved;

— Responsibility – governments are of sufficient size to carry any risk associated with the venture.

However, disadvantages of a residential property trust may include:

— Employers are unlikely to invest large amounts of funds into the trust;

— The trust would need to ensure that investor funds are not accessible for a period (say 10 years) to avoid a run on funds (eg as has occurred recently with a rural trust fund);

— The trust would need to be driven by either the Commonwealth or State Government;

— Local government is unlikely to have the resources to manage the risks associated with the trust.

During the consultation programme discussions with employers, real estate agents and government agencies focussed on the likely difficulties in obtaining long term investment with Government backing. Accordingly the residential property trust was no longer considered by them as a key solution.

3.4.2 Develop Business / Feasibility Planning Template Supported by Historical Market Information

There is a clear need to develop a Business Feasibility Planning Template supported by relevant historical market information that allows investors to appropriate research the merits in investing in the regional workforce accommodation / real estate market.

Throughout this project it was evident that individual decision makers have imperfect knowledge of the private rental market within the region.

Some of the key points that need to be researched and communicated include:

— the current level of demand for rental accommodation or the method to measure demand and supply;

— current trends, that employment growth within the regions will continue to produce in-migration and therefore new accommodation demand;

— the FBT exempt status of housing in remote areas, and the fact that much of rural South Australia would qualify for exemption under this new provision;

— solving the rental accommodation crisis will have benefits for the community as a whole. It will create additional jobs through the initial wave of building and as persons settle in the region and spend locally.

— the availability of business feasibility planning templates which can be used to assess local investment opportunities.

<u>Information Sessions</u>

It will be important to continue to provide balanced information – such as the number of rental dwellings available, median income and capital growth rates, population levels, location of nearby services and facilities, estimates of job growth, the number of additional dwelling units to be provided, to members of the community. This can be achieved by holding a series of public forums in the major centres on a regular basis.

Distribute Information Brochures

The distribution of information brochures is a simple way of ensuring community awareness of the steps in place to address the shortage of rental accommodation.

The importance of providing this information in association with a business feasibility planning template cannot be over-emphasised:

— It may encourage greater investment in the region as industry becomes aware that problems associated with housing access are being addressed.

— It will inform prospective tenants of how and when they can gain access to available housing.

— It may stimulate further investment in the private rental market by small-scale landlords.

Development and Management of a Web Site

In addition to the provision of information via a brochure, a government organisation(s) can simply and effectively prepare a workforce accommodation web site, incorporating a range of links to associated information (eg real estate agents etc). The site would be targeted to investors wishing to build accommodation as well as existing and potential workers desiring to rent or purchase accommodation.

3.4.3 Australian Rural and Remote Workforce Agencies Group Ltd

The Australian Rural and Remote Workforce Agencies Group Ltd (ARRWAG) is the national peak body for Rural Workforce Agencies (RWAs) located in the States and the Northern Territory. ARRWAG and the RWAs are funded by the Commonwealth Department of Health and Aged Care.

The RWAs role is primarily to manage programs for the recruitment and retention of general practitioners in rural and remote areas. ARRWAG as the peak body provides support and advocacy to RWAs. In addition the Commonwealth Department of Health Aged Care, General Practice Branch, also delegates fundholding responsibilities to ARRWAG for a number of programs which provide resources and support to RWAs in the delivery and management of their services.

The Accommodation Program is one such initiative. Under the GP Memorandum of Understanding the Government is providing $13 million over three years (1/7/2000 to 30/6/2003) for the provision of additional accommodation and infrastructure for GP Registrars, junior doctors and medical students in Rural, Remote and Metropolitan Areas (RRMA) classifications 4-7. ARRWAG is managing $5 million and the RACGP $8 million. First round funding was allocated in January 2001, and funding is presently being distributed to the successful communities. Round 2 applications have recently been announced by the Minister, and this will exhaust all funding provided under this program.

3.5 Synopsis

Table 1 at the conclusion of this section summarises overseas and interstate examples of potential solutions. Potential solutions have been assessed with the following criteria:

- Tier of government applicability;
- Potential to target policies to regions;
- Effectiveness;
- Impediments/Risks; and
- Probability of implementation.

Section 4 of this report recommends a range of solutions for all three levels of government and the private sector. These component strategies need to be prioritised and packaged in an integrated manner to address the following key objectives:

- increase the amount of seasonal worker accommodation, which is considered to be the highest priority;
- increase the amount and quality of permanent worker accommodation, particularly for rental;
- increase the amount and quality of government employee housing.

TABLE 1

Summary of Potential Solutions

Solution	**Tier of Government Applicable in Australia**	**Potential to Target Policies to Regions**	**Effectiveness / Applicability**	**Impediments / Risk**	**Probability of Implementation**
European					
Significant funding for public housing in rural areas	Federal and State	High	High	Potentially little government support. Building & construction capital potentially locked into declining regions.	Low
Provision of home ownership grants	Federal				Medium
Town Renewal Programs	Federal, State and Local	High	High	Need to ensure regions are correctly selected to ensure they have sustainable levels of growth.	Medium
Broader programmes linked to economic and social development which provide funding for accommodation	Federal, State and Local	High	High	Need to ensure regions are correctly selected to ensure they have sustainable levels of growth.	Medium
United States of America					
Farm Labour Housing Programmes and Grants	Federal and State	High	High	Low level of risk as solution avoids direct government investment.	Medium
Canada					
Range of pre 1995 Federal Government packages. Focus is now on Community Based Solutions.	Federal, State and Local.	High	Medium	Private sector employers unlikely to become involved in non-core business.	Medium

Solution	Tier of Government Applicable in Australia	Potential to Target Policies to Regions	Effectiveness / Applicability	Impediments / Risk	Probability of Implementation
Australia					
Queensland Rural and Regional Housing Programme – provision of long term housing to low income residents	State	High	Medium	Focussed on long term residents. Anticipated many low income workers would include seasonal workers	Low
NSW – Provision of conventional public housing	State	High	High	Need to ensure regions are correctly selected to ensure they have sustainable levels of growth	Low
WA – Country Housing Association provides investors with low cost finance	State	High	High	Low level	Medium
Specific Models					
Defence Housing Authority Model	May be appropriate for State Government employees or large employers	High	High	Medium	Medium
Joint Ventures: SACHA	State	High	Medium (only targeted to low income earners).	Low risk levels to government	High (Parliamentary Inquiry (2000) recommended that SACHA consider developments in rural SA)

Solution	Tier of Government Applicable in Australia	Potential to Target Policies to Regions	Effectiveness / Applicability	Impediments / Risk	Probability of Implementation
Specific Models (Continued)					
Mildura Sports & Entertainment Centre (public float)	Local	High	Low (high starting costs)	High	Low
Headlease	Potentially all three levels of government and the private sector.	High	High	Private sector employers unlikely to become involved in non-core business.	Low for private sector employers. Medium for public sector organisations
Regional Local Government Subsidiary	Local Government	High	Medium	High as councils alone bear all liabilities.	Low
Harvest Trail Lodges	Primarily private sector but supported with State Government Grants	High	High (particularly focussed to seasonal workers)	Medium	High
Caravan Park Accommodation	Primarily private sector but significantly supported by Local and State Government (owners of land and provision of affordable finance)	High	High (particularly focussed to seasonal workers)	Medium to Local Government	High

Solution	Tier of Government Applicable in Australia	Potential to Target Policies to Regions	Effectiveness / Applicability	Impediments / Risk	Probability of Implementation
Specific Models (Continued					
Independent Workers Hostel Accommodation	Primarily private sector, but would require appropriately zoned land		High	Low risks to government	High
Alternative Administrative Processes					
Specialist agency to co-ordinate the accommodation of public sector workers	State	High	Medium - not necessarily add to the stock of accommodation	Medium – may be unduly expensive	Low
Specialist agency with responsibility for regional development and housing provision (Potential new role for existing agency).	State	High	Medium	Medium – Main role would be cross-sector co-ordination.	Medium - High
Increase promotion of home ownership through targeting of first home owners scheme.	Federal	Medium	Low – particularly if it is difficult to target grants)	High – significant government resources required	Low
Provision of housing market information	State and Local Governments	High	Highly applicable	Disclaimers on information to protect Governments.	High

Solution	Tier of Government Applicable in Australia	Potential to Target Policies to Regions	Effectiveness / Applicability	Impediments / Risk	Probability of Implementation
Funding and Taxation					
Affordable loans for those seeking to provide short term accommodation for workers.	Federal and State Government	High	Medium – issue appears to be lack of incentive / knowledge of market rather than lack of funding	Medium – requires government funding / risk management.	Medium
Institutional investor information services	-	Medium	Low – medium (usually only invests in large projects)	No risk to government	Low
Private superannuation funds	Would require amendments to Federal Legislation to promote use of super funds	Medium	High	Lack of government support based on the potential for investors to erode their investments (ie superannuation)	Low
Local investor funding	-	Medium – if associated with information package	High	Medium - lack of information - low level of liquidity	High

Solution	Tier of Government Applicable in Australia	Potential to Target Policies to Regions	Effectiveness / Applicability	Impediments / Risk	Probability of Implementation
Funding and Taxation (continued)					
Stamp Duty Concession / Exemption	State	High	High – subject to ensuring homes are available for rental. Does not necessarily encourage the development of new dwellings	Medium	Medium
Commonwealth Infrastructure Bonds	Federal	-	No longer available	-	Low
Accelerated Depreciation	Federal	High	High – encourages construction of new dwellings and retention of rental accommodation	Low	Medium
Extension of First Home Buyers Scheme	Federal and/or State	High	High – especially if targeted to new homes	Medium – Hawke Government First Home Owner Scheme in the 1980s was plagued by compliance problems	Medium

Solution	Tier of Government Applicable in Australia	Potential to Target Policies to Regions	Effectiveness / Applicability	Impediments / Risk	Probability of Implementation
Funding and Taxation (continued)					
Fringe Benefits Tax	Federal	High	Low – employers tend to focus on core business rather than take on the responsibility of property managers		Low
Statutory Planning					
Update Planning Strategy	State	Medium	Medium	Low	High
Prepare a Planning Bulletin	State	Medium	Medium	Low	High
Amended Development Plans	State and Local Government	High	Medium	Low	High

04 RECOMMENDED SOLUTIONS

4.1 Introduction

Principal findings from the study may be summarised as follows:

— There are deficiencies in the supply of both short and long term worker accommodation within the study area (although the primary focus should be on short-term accommodation needs);

— The shortfall needs to be addressed in the interests of supply *per se* and as a contribution to local economic development; and

— Solutions will vary from place to place;

— The private sector will be primarily responsible for the provision of suitable accommodation given a supportive environment where accurate information, affordable finance, responsive taxation measures, proactive planning policy and headlease agreements or other tenancy assistances available to reduce the risk to investors.

Incentives to facilitate increases in the provision of short and long term worker accommodation fall into two basic categories:

— Generic initiatives that would be applicable anywhere in rural Australia, and which, because of their nature, may not be capable of adaptation or amendment to suit specific local circumstances. The Commonwealth Government's first home buyers scheme is an example of a generic initiative.

— Area specific initiatives that are capable of being targeted to local needs and opportunities: many local government and non-government initiatives would be in this category.

This report presents a series of generic measures that would be beneficial in providing worker accommodation in rural South Australia. The regional reports identify area specific opportunities for stimulating the provision of short and long term accommodation.

In each case, attention is focused on what are believed to be realistic, priority measures. Accordingly, some of the potential solutions described in Report II have been omitted from further consideration.

4.2 Short-Term Accommodation

The main option for the provision of short-term worker accommodation is to expand existing caravan parks and, where applicable, facilitate the development of worker hostels. Major firms, including builders of temporary accommodation and labour hire companies, should also be encouraged to participate, although there has been little interest from this sector in the past.

The Harvest Trail 'model' of sharing of budget tourist accommodation with short-term accommodation is considered to be an appropriate solution. However, potential management issues of co-locating seasonal workers and backpackers needs further exploration.

4.2.1 Expansion of Caravan Parks / Development of Workers Hostels

To participate, caravan park operators would require affordable funding from to ensure the appropriate implementation of this option.

As many of these caravan parks are owned by Local Government, Councils generally have the political will to invest in the park's development, in partnership with State Government assistance and private sector interest.

In the case of privately owned parks (eg Padthaway Caravan Park), government support may be required to assist park owners prepare detailed feasibility and business plans, and obtain affordable finance.

4.2.2 Labour Hire Firms / Builders of Temporary Dwellings

Regional Development Boards, and other agencies, could facilitate investment in rental properties by builders and/or labour hire firms of transportable dwellings. Builders may be willing to construct, and hold, purpose-built rental accommodation in the region if a long-term headlease could be guaranteed. Firms such as labour hire firms, the major wine-producing companies, viticulturists, the meat industry or other major employers, could be interested in such an arrangement.

Initially some level of State Government financial involvement is recommended (for example as guarantor of a headlease) to stimulate private sector interest. Local Government also has a role to play in providing suitably zoned and/or sites acceptable to the community for such development.

4.2.3 Planning Policies and Community Consultation

In association with the previously mentioned generic solutions, State and Local Governments need to review planning strategies and Development Plan policies to ensure such forms of temporary accommodation are promoted in appropriate locations. The policy review processes must be in association with a comprehensive community consultation programme.

4.2.4 Summary of Short Term Workers Accommodation Solutions

A package of integrated strategies are recommended to increase the number of short term accommodation facilities in applicable rural regions.

At the **Federal Government** level the following targeted strategy is recommended:

1. Establishment of a scheme which provides affordable funds to landlords in targeted areas for the expansion of caravan parks and construction of “harvest style” accommodation.

At the **State Government** level, the following strategies are recommended:

1. In partnership with local governments and the private sector, facilitate a co-ordinated whole-of-government implementation strategy having regard to the recommendations of this report;
2. Provide investors with a business feasibility planning template and information package which will assist investors to assess workforce accommodation development opportunities (information to include historical housing market data and relevant disclaimers);
3. Subsidise infrastructure to workforce accommodation sites;
4. Identify appropriate funding sources and then co-ordinate State and Local Government initiatives to provide affordable finance to providers of short term accommodation;
5. Provide an information package to providers of short term accommodation regarding rent assistance opportunities via CentreLink;
6. Update the State Government's Planning Strategy to promote alternative forms of accommodation in appropriate locations; and
7. Raise workforce accommodation issues with financial institutions, which may be sympathetic to regional communities, with the objective of ensuring investors have access to funds on the same conditions as their metropolitan counter parts.

At the **Local Government** level the following strategies are recommended:

1. In partnership with the State Government and the private sector, facilitate a co-ordinated whole-of-government implementation strategy having regard to the recommendations of this report through establishing Regional Workforce Accommodation Task Groups;
2. Assist the State to provide investors with a business / feasibility planning template and information package which will assist investors assess workforce accommodation development opportunities (information to include historical housing market data and relevant disclaimers);
3. Subsidise infrastructure (roads and physical services) to workforce accommodation;
4. Promote pepper corn leases for land to builders for the construction of workers hostels;
5. Provide limited land at or below cost targeted to caravan operators for short term workers accommodation purposes;
6. Where necessary amend planning policies, and increase community understanding of issues in respect to promoting temporary accommodation within townships.

4.3 Permanent Workers Accommodation

A package of integrated strategies are recommended to increase the number of dwellings for permanent workforce accommodation (particularly rental stock) in applicable rural regions.

At the **Federal Government** level the following targeted strategies are recommended:

1. Accelerated depreciation of housing investment in new rental property in non-metropolitan areas;
2. Establishment of a scheme which provides affordable funds to landlords in targeted areas for the construction of new dwellings for rental; and
3. Promote the existing FBT exempt status of housing in “remote areas”.

At the **State Government** level, the following strategies are recommended:

1. Establish or utilise an existing fund (and/or extend the HomeStart scheme) from which residents could draw affordable loans and/or grants;
2. Ensure SACHA explore the feasibility of introducing additional community housing projects in rural SA with local partners;
3. Establish or utilise an existing fund (eg Regional Infrastructure Fund) which can provide affordable loans to interested persons (including investors) for the purposes of increasing the supply of regional accommodation.
4. Provide investors with a business feasibility planning template and information package which will assist investors assess workforce accommodation development opportunities (information to include historical housing market data and relevant disclaimers);
5. Provide an information package to providers of accommodation, employers and employees regarding rent assistance opportunities via CentreLink;
6. Raise workforce accommodation issues with financial institutions, which may be sympathetic to regional communities, with the objective of ensuring investors have access to funds on the same conditions as their metropolitan counter parts;
7. Via the South Australian Housing Trust, promote the relocation of former trust homes to areas of greatest need and the redevelopment of existing Trust dwellings in association with a community consultation programme;
8. Consider subsidising infrastructure costs to workforce accommodation sites;
9. Participate in regional level forums established by Regional Development Boards in partnership with Local government to enable employers, accommodation providers, labour hire firms to develop local solutions and provide advice to Government on regional issues;
10. Utilise existing programs which promote coordination between State and Local Government (eg Local Government Partnerships Program);

11. In areas of demand for quality government employee housing, the State to build additional homes for government employees and divest itself of lower quality housing stock which would then increase the locality's housing (and potentially rental) stock
12. Investigate opportunities for workforce accommodation opportunities on land surplus to State Government requirements (including reviewing existing disposal procedures);
13. In areas of demand for accommodation for the aged, facilitate the development of housing for the aged and thereby increasing the locality's housing (and potentially rental) stock;
14. Consider sharing the risks associated with a headlease agreement with the State and Local Governments and the private sector;
15. Update the State Government's Planning Strategy to promote alternative forms of housing and medium density accommodation in appropriate locations;
16. Ensure workforce accommodation Issues are considered by Council's when preparing Section 30 Development Plan Reviews;
17. Prepare a Workforce Accommodation Planning Bulletin which includes information relating to best practice design outcomes (or update the Residential Planning Bulletin);
18. Reduce / remove stamp duty, as a once-only inducement for investors to purchase housing for rental (need to ensure dwelling remains in the rental market);
19. Co-ordinate the collection of micro data to better understand the supply and demand for housing in specific locations. Data should be collected to understand potential private sector investment opportunities and to determine the level of potential government intervention required;
20. Develop workforce accommodation indices that strive to confirm and quantify the accommodation shortages within individual regions in South Australia. These indices should be used to identify communities that qualify for Government assistance measures;
21. Forward the recommendations concerning the Commonwealth Government (including the need for coordinated government action) to the Ministerial Council on Regional Development (comprising Regional Development Ministers from the Commonwealth, States and Territories, and the Australian Local Government Association); and
22. Regional Development Boards to facilitate an approach to businesses (including financial institutions) to consider supporting independent business feasibility studies relating to short term accommodation needs.

Priority **Government Employee** strategies which warrant consideration comprise:

1. Improve co-ordination regarding the provision of housing to all public sector workers and medical professionals;
2. Establish a headlease agreement whereby the private sector builds and leases dwellings to the State over a long term. This process results in increasing the amount of quality residential dwellings for government employees in key locations, while the State is not exposed to costs associated with construction and sale of the asset.
3. The implementation of some of the mentioned permanent worker accommodation solutions will result in increasing the standard and quality of dwellings which in turn will benefit government employees.

At the **Local Government** level the following strategies are recommended:

1. In partnership with Regional Development Boards conduct a regular forum with State Government agencies, the Real Estate Institute, employers and accommodation providers with the objectives of (i) facilitating discussion and local solutions, and (ii) to maintain a workforce accommodation database which would inform Federal and State Government decision-making;
2. Support the State Government to provide investors with a business feasibility planning template and information package which will assist investors assess workforce accommodation development opportunities (information to include historical housing market data and relevant disclaimers);
3. Investigate opportunities for workforce accommodation opportunities on land surplus to Local Government requirements;
4. Provide land to builders for the construction of dwellings, in conjunction with a deferred payment plan for the land (eg when land and home are sold) as Naracoorte Council is presently doing;
5. Subsidise infrastructure (roads and physical services) to workforce accommodation;
6. Review Development Plan provisions to promote medium density and temporary accommodation developments and the responsible supply of allotments;
7. Develop regional and/or local housing policies and strategies (refer to “Housing: Your Basic Infrastructure – A Tool Kit for Local Government Housing Policies, Strategies and Actions” Municipal Association of Victoria. 1999);
8. In areas of demand for accommodation for the aged, facilitate the development of housing for the aged and thereby increase the supply of available housing for rental or purchase; and
9. Raise workforce accommodation issues with financial institutions, which may be sympathetic to regional communities, with the objective of ensuring investors have access to funds on the same conditions as their metropolitan counter parts.

The **private sector** also needs to take greater responsibility in addressing this issue, and therefore a range of strategies are recommended. However, it is very evident that for many years market conditions have not been conducive to stimulate private sector investment, hence some level of government facilitation is required to address the issue of regional workforce accommodation and encourage a private sector response.

Private sector initiatives could include:

1. Participate in recommended Regional Development Board and Local Government Workforce Accommodation forums;
3. Employers to liaise with employees to enable rent to be deducted from employees wages;
4. Utilise the FBT exempt status of housing in remote areas;
5. Develop opportunities for on-site supervised independent accommodation arrangements (eg caretakers / residents manager);
6. In areas of demand for accommodation for the aged, facilitate the development of housing for the aged to increase supply of housing for rent or purchase;
7. Promote the utilisation of property / tenant management skills to investors (including employers and labour hire firms);
8. Provide an information package to providers of accommodation, employers and employees regarding rent assistance opportunities via CentreLink; and
9. Investigate the merits of investing in a headlease agreement in partnership with governments.

4.4 Next Steps

At the local level, it is recommended that the establishment of co-operative regional groupings of local government and regional development boards progress the relevant recommendations of this report through the proposed Workforce Accommodation Forums.

At the state level, it is anticipated that the recently established cross-government Regional Workforce Accommodation Solutions Implementation Group will review the reports and progress the relevant recommendations.

At the national level, it is anticipated that recommendations concerning the Commonwealth Government will be forwarded to the Ministerial Council on Regional Development (comprising Regional Development Ministers from the Commonwealth, States and Territories, and the Australian Local Government Association).

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APPENDIX A

KEY CONTACTS

APPENDICES

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APPENDIX B

SAMPLE OF MARKET SALES INFORMATION

Comments about this Sample of Sales Data

Data for these property market summaries is derived from the UPmarket Sales Retrieval system.

These particular summaries cover properties that were listed as settled from the dates shown on the summary tables and occurring in the area designated by the sales history file as being within the suburb or township as shown on the summary.

Criteria of summarizing land uses is as follows:

- A Detached and Semi Detached House is defined as a property with a Land Use Code between 1100 and 1199
- A Home Unit is defined as a property with a Land Use Code between 1300 and 1399
- Vacant Land Under 2000 sqm is defined as properties with a Land Use Code between 4000 and 4199 and with an area less than 2000 square metres

**Refer to the UPmarket Land Use Codes description table for details of these codes.

Probable Market Transactions are all sales that "most probably" represent market transactions. These sales EXCLUDE the following

- Sales listed as "not considered market transaction" (flagged by Government Department)
- Sales that were probably between parties that are related
- Sales that include multiple parcels of land, other land or non-real estate items in the sale price
- Sales to and from Government Departments.
- Sales listed as ARIES, and therefore with incomplete records.

Peter Rossini - Centre for Land Economics and Real Estate Research (CLEARER)

Sales data from other selected towns in the case study regions are available in the accompanying reports, “Issues and Solutions for the South East Region” and “Issues and Solutions for the Murraylands/Murray Mallee Region”.

Summary of Property Transactions				
Tailem Bend July 2000 to Jun 2001		Detached and Semi Detached homes	Home Units	Vacant Land Under 2000 sqm
Total Sales		42	0	4
Probable Market Transactions		35	0	1
Price	Mean	$ 59,878		$ 6,000
	Std. Deviation	$ 24,707		
	Minimum	$ 30,000		$ 6,000
	1st Percentile	$ 37,400		$ 6,000
	Median	$ 55,000		$ 6,000
	9th Percentile	$ 86,500		$ 6,000
	Maximum	$ 150,000		$ 6,000
Land Area	Mean	1116.0 sqm		
	Std. Deviation	471.0 sqm		
	Minimum	511.0 sqm		
	1st Percentile	705.4 sqm		
	Median	1012.0 sqm		
	9th Percentile	1570.0 sqm		
	Maximum	2023.0 sqm		
Number of Rooms	Mean	5.06		
	Std. Deviation	0.66		
	Minimum	4		
	1st Percentile	4		
	Median	5		
	9th Percentile	6		
	Maximum	7		
Equivelent Building Area	Mean	107.2 sqm		
	Std. Deviation	33.8 sqm		
	Minimum	74.0 sqm		
	1st Percentile	78.8 sqm		
	Median	92.0 sqm		
	9th Percentile	143.6 sqm		
	Maximum	212.0 sqm		
Building Condition Code	Mean	5.35		
	Std. Deviation	1.77		
	Minimum	3		
	1st Percentile	3		
	Median	5		
	9th Percentile	8		
	Maximum	9		

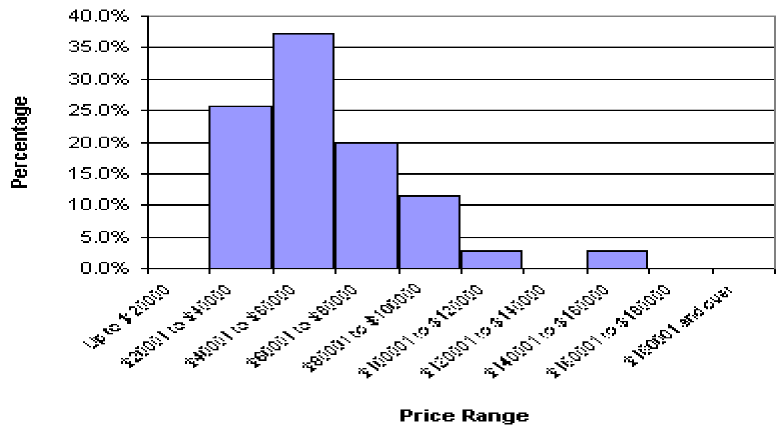
Summary of Property Transactions					
Tailem Bend **July 2000 to Jun 2001**		Detached and Semi Detached homes	Home Units	Vacant Land Under 2000 sqm
Building Age	Mean	51.36 Years		
	Std. Deviation	25.02 Years		
	Minimum	6 Years		
	1st Percentile	19 Years		
	Median	50 Years		
	9th Percentile	81 Years		
	Maximum	101 Years		

Summary of Property Transaction Prices

Tailem Bend

July 2000 to Jun 2001

Detached and Semi Detached Houses

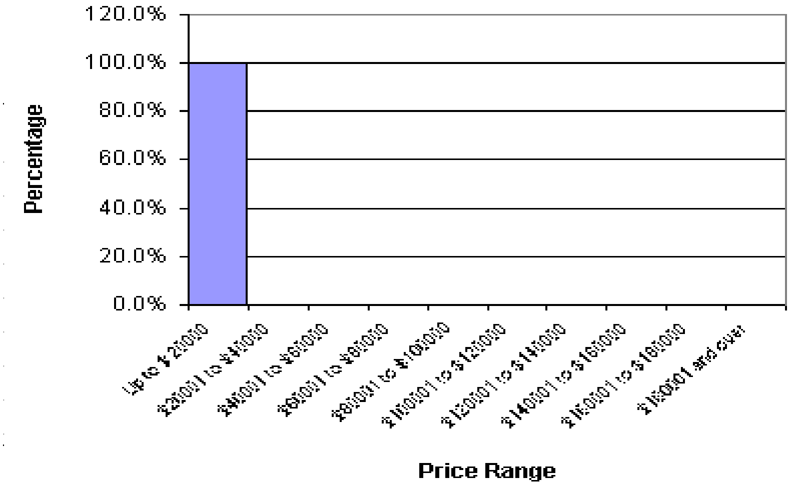


Total	35	100%

Home Units

Total	0

Vacant Land Under 2000 Sq metres



Total	1	100%

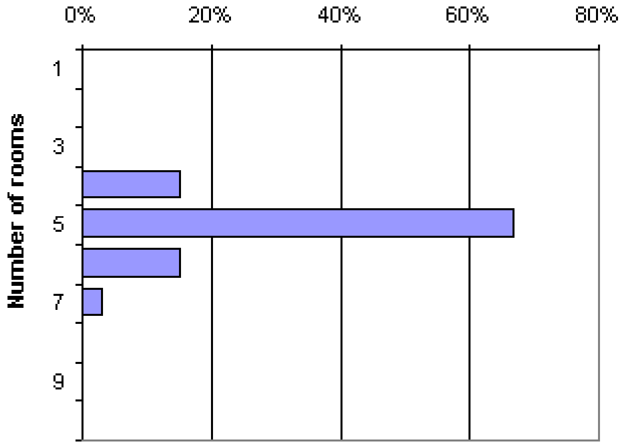
Summary of Building Characteristic for Property Transactions

Tailem Bend

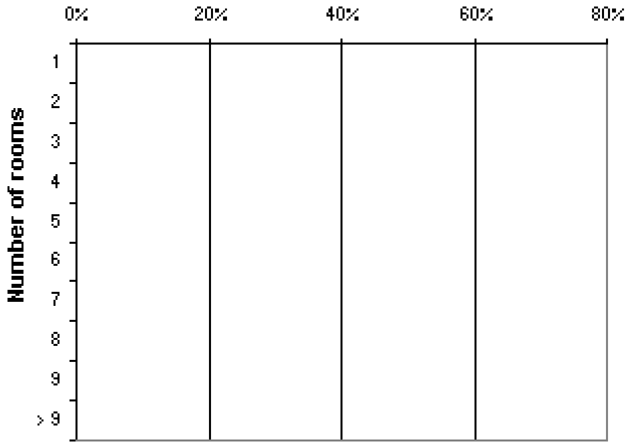
July 2000 to Jun 2001

Number of Main Rooms

Detached and Semi Detached homes

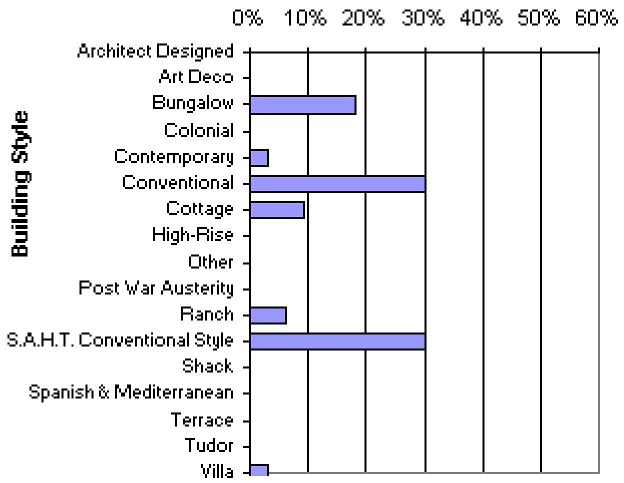


Home Units

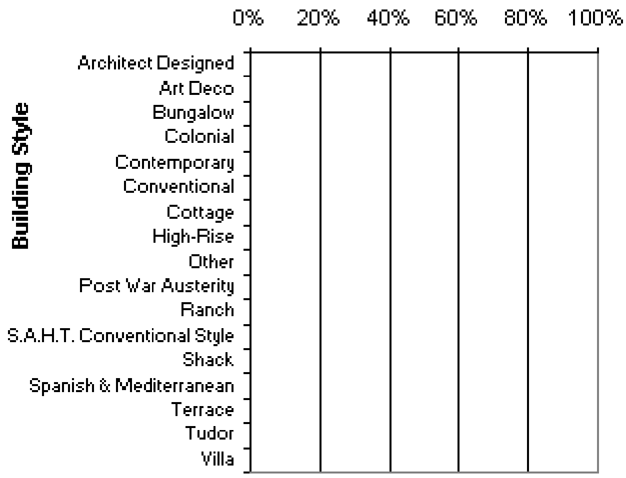


Building Styles

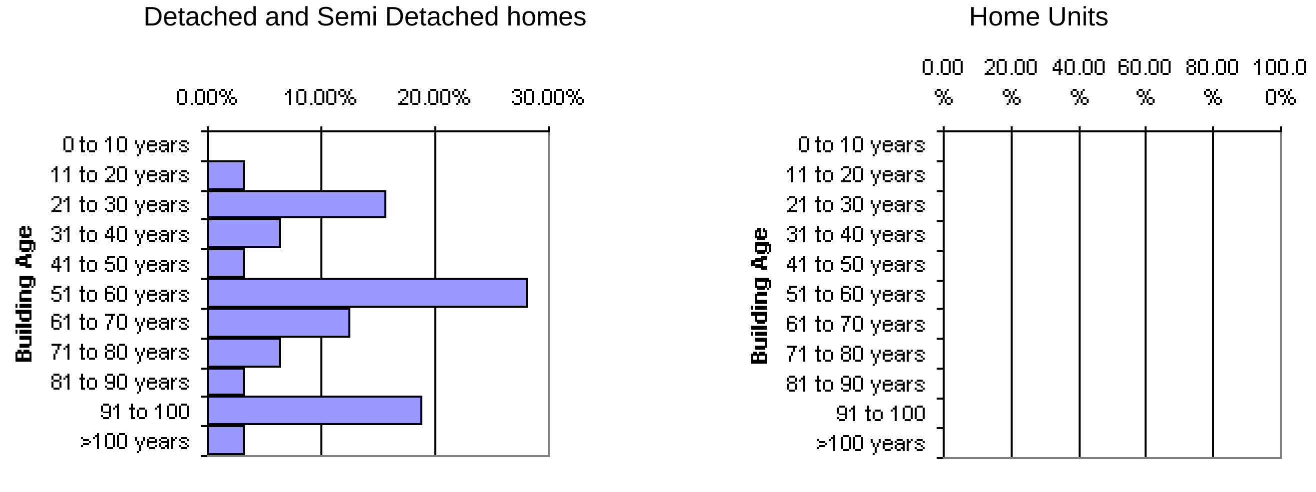
Detached and Semi Detached homes



Home Units



Building Age



Time Series Summary of Property Transactions

Probable Market Transactions

Tailem Bend - Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

		Average, Standard Deviation and 80% Probability				Median, 80 % Percentile Range, Minimum and Maximum				
Quarter (centre)	Volume	**Average**	Stdev	Lower 80% Prob Limit	Upper 80% Prob Limit	Min	1st Percentile	**Median**	9th Percentile	Max
Feb-90	2	**$42,000**	$18,385	-$14,583	$98,583	$29,000	$31,600	**$42,000**	$52,400	$55,000
May-90	4	**$29,250**	$7,665	$16,697	$41,803	$23,500	$23,650	**$26,750**	$36,850	$40,000
Aug-90	4	**$50,438**	$28,298	$4,093	$96,782	$30,000	$30,000	**$40,875**	$78,525	$90,000
Nov-90	6	**$34,900**	$7,392	$23,990	$45,810	$22,400	$27,200	**$36,250**	$41,250	$42,500
Feb-91	8	**$39,875**	$9,463	$26,485	$53,265	$28,000	$32,200	**$35,500**	$50,800	$55,000
May-91	6	**$42,067**	$10,370	$26,762	$57,371	$31,800	$33,150	**$39,050**	$54,000	$60,000
Aug-91	4	**$43,000**	$9,798	$26,953	$59,047	$35,000	$35,000	**$41,000**	$52,600	$55,000
Nov-91	8	**$49,375**	$24,107	$15,266	$83,484	$8,000	$25,500	**$51,500**	$71,100	$90,000
Feb-92	5	**$30,600**	$16,257	$5,674	$55,526	$8,000	$12,800	**$35,000**	$45,000	$45,000
May-92	2	**$64,000**	$4,243	$50,942	$77,058	$61,000	$61,600	**$64,000**	$66,400	$67,000
Aug-92	11	**$60,864**	$68,680	-$33,378	$155,105	$20,000	$22,000	**$45,000**	$72,500	$262,000
Nov-92	2	**$30,000**	$707	$27,824	$32,176	$29,500	$29,600	**$30,000**	$30,400	$30,500
Feb-93	3	**$65,833**	$19,107	$29,805	$101,862	$48,000	$51,100	**$63,500**	$81,500	$86,000
May-93	9	**$55,333**	$23,892	$21,961	$88,706	$28,500	$38,500	**$49,500**	$81,200	$110,000
Aug-93	13	**$53,231**	$25,714	$18,357	$88,104	$25,000	$35,400	**$39,000**	$90,500	$112,000
Nov-93	11	**$44,545**	$19,023	$18,442	$70,648	$16,500	$17,000	**$42,000**	$59,500	$77,000
Feb-94	11	**$52,909**	$18,534	$27,478	$78,340	$35,000	$37,000	**$49,000**	$65,000	$103,000
May-94	9	**$56,122**	$21,941	$25,475	$86,770	$30,000	$34,000	**$50,600**	$87,800	$95,000
Aug-94	7	**$43,071**	$17,021	$18,566	$67,577	$11,000	$26,600	**$45,000**	$58,200	$63,000
Nov-94	11	**$52,045**	$18,067	$27,254	$76,837	$32,000	$35,000	**$56,000**	$68,500	$86,000
Feb-95	6	**$54,750**	$14,750	$32,980	$76,520	$42,000	$44,500	**$49,500**	$70,250	$83,000
May-95	5	**$50,800**	$11,692	$32,874	$68,726	$38,000	$39,200	**$50,000**	$63,000	$65,000
Aug-95	7	**$52,343**	$16,199	$29,020	$75,665	$39,400	$39,460	**$45,500**	$69,200	$83,000
Nov-95	7	**$65,714**	$23,836	$31,396	$100,032	$35,000	$38,000	**$67,500**	$93,000	$97,500
Feb-96	5	**$52,100**	$20,311	$20,959	$83,241	$30,000	$34,200	**$45,000**	$74,200	$81,000
May-96	2	**$30,500**	$27,577	-$54,374	$115,374	$11,000	$14,900	**$30,500**	$46,100	$50,000
Aug-96	6	**$64,458**	$15,920	$40,962	$87,955	$41,000	$44,500	**$71,500**	$77,375	$78,000
Nov-96	1	**$56,000**	N/a	N/a	N/a	$56,000	$56,000	**$56,000**	$56,000	$56,000
Feb-97	11	**$63,273**	$27,951	$24,919	$101,627	$33,000	$35,500	**$55,000**	$100,000	$115,000
May-97	2	**$70,500**	$50,205	-$84,014	$225,014	$35,000	$42,100	**$70,500**	$98,900	$106,000
Aug-97	9	**$53,222**	$22,698	$21,517	$84,927	$30,000	$32,400	**$53,000**	$77,600	$100,000
Nov-97	3	**$62,067**	$15,608	$32,636	$91,498	$45,200	$49,160	**$65,000**	$73,800	$76,000
Feb-98	9	**$48,111**	$15,120	$26,991	$69,231	$25,000	$33,800	**$49,000**	$65,400	$71,000
May-98	7	**$70,214**	$60,703	-$17,183	$157,611	$20,000	$29,000	**$48,500**	$135,000	$198,000
Aug-98	7	**$49,357**	$18,808	$22,279	$76,435	$25,000	$32,200	**$49,000**	$68,300	$83,000
Nov-98	5	**$67,300**	$23,494	$31,279	$103,321	$44,500	$46,700	**$57,000**	$93,000	$95,000
Feb-99	3	**$67,667**	$10,214	$48,406	$86,927	$56,000	$59,200	**$72,000**	$74,400	$75,000

Time Series Summary of Property Transactions

Probable Market Transactions

Tailem Bend - Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

		Average, Standard Deviation and 80% Probability				Median, 80 % Percentile Range, Minimum and Maximum				
Quarter (centre)	Volume	**Average**	Stdev	Lower 80% Prob Limit	Upper 80% Prob Limit	Min	1st Percentile	**Median**	9th Percentile	Max
May-99	6	**$73,750**	$61,827	-$17,499	$164,999	$31,000	$37,250	**$45,500**	$138,500	$195,000
Aug-99	3	**$55,000**	$13,000	$30,487	$79,513	$40,000	$44,400	**$62,000**	$62,800	$63,000
Nov-99	2	**$52,500**	$17,678	-$1,906	$106,906	$40,000	$42,500	**$52,500**	$62,500	$65,000
Feb-00	10	**$59,200**	$27,768	$20,796	$97,604	$27,000	$41,400	**$51,000**	$99,300	$120,000
May-00	5	**$49,800**	$8,534	$36,716	$62,884	$39,000	$40,400	**$53,000**	$57,300	$57,500
Aug-00	10	**$48,100**	$14,510	$28,032	$68,168	$30,000	$30,000	**$49,000**	$60,600	$75,000
Nov-00	10	**$62,340**	$27,523	$24,275	$100,405	$38,000	$38,000	**$47,500**	$100,350	$103,500
Feb-01	6	**$71,417**	$40,635	$11,443	$131,390	$36,000	$42,250	**$60,500**	$111,500	$150,000
May-01	5	**$63,466**	$19,182	$34,056	$92,876	$37,000	$43,800	**$65,330**	$81,900	$87,500

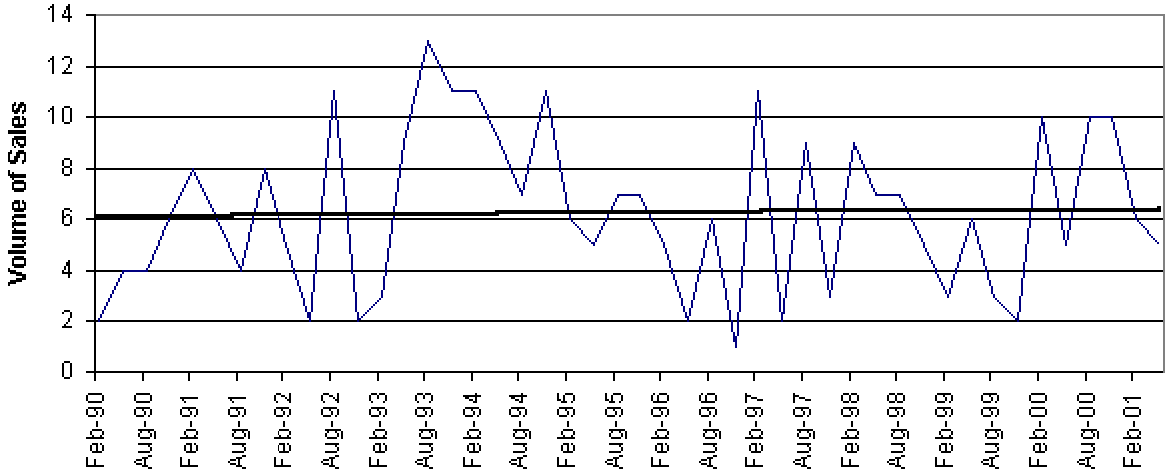
Time Series Summary of Property Transactions

Probable Market Transactions

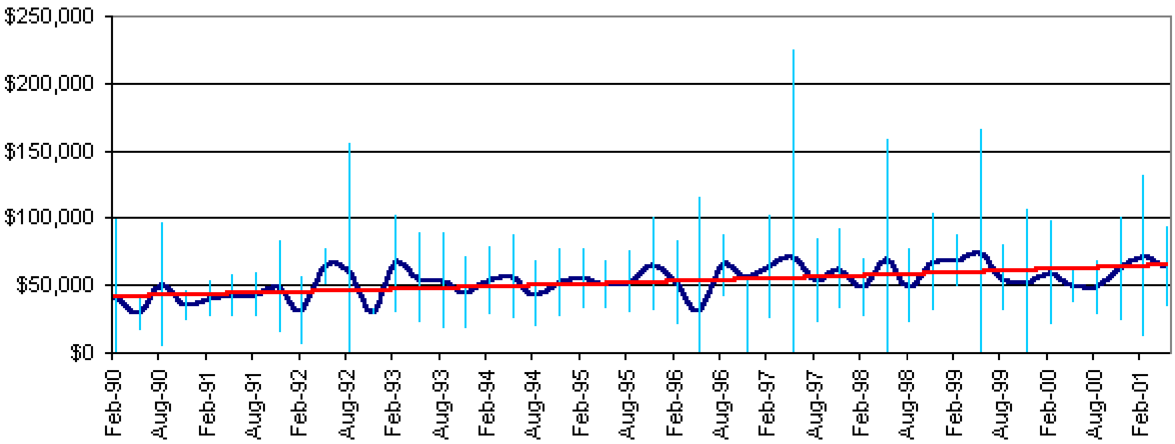
Tailem Bend - Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

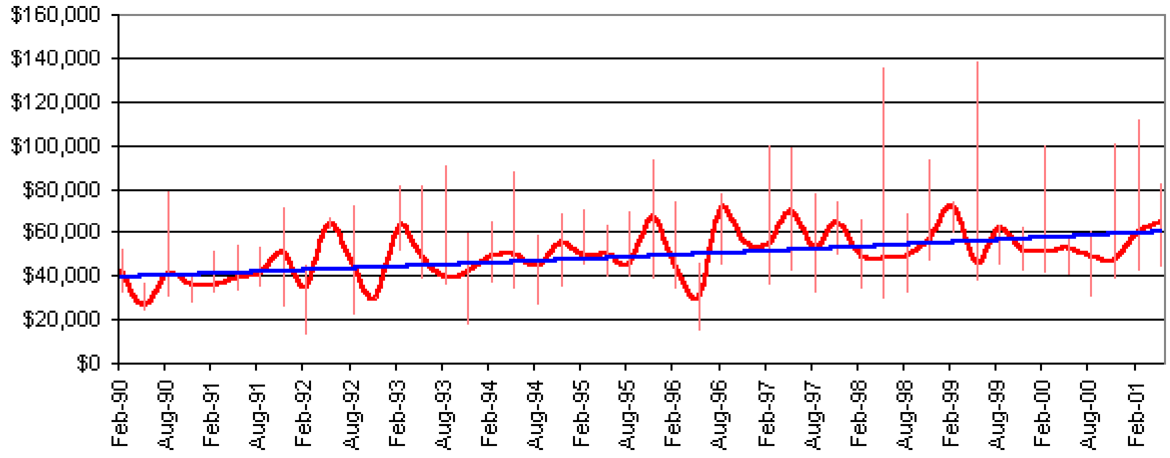
Volume of Probable Market Transactions and Trend Line



Mean Sale Price, 80% Probability ranges and Trend Line



Median Sale Price, 80 Percentile ranges and Trend Line



Time Series Indices

Probable Market Transactions

Tailem Bend - Detached and Semi-detached Houses
Quarterly Summary from January 1, 1990 to June 31st 2001

Quarter (centre)	Indices: Sales Volume	Indices: Average Price	Indices: Median Price
Feb-90	100.0	100.0	100.0
May-90	200.0	69.6	63.7
Aug-90	200.0	120.1	97.3
Nov-90	300.0	83.1	86.3
Feb-91	400.0	94.9	84.5
May-91	300.0	100.2	93.0
Aug-91	200.0	102.4	97.6
Nov-91	400.0	117.6	122.6
Feb-92	250.0	72.9	83.3
May-92	100.0	152.4	152.4
Aug-92	550.0	144.9	107.1
Nov-92	100.0	71.4	71.4
Feb-93	150.0	156.7	151.2
May-93	450.0	131.7	117.9
Aug-93	650.0	126.7	92.9
Nov-93	550.0	106.1	100.0
Feb-94	550.0	126.0	116.7
May-94	450.0	133.6	120.5
Aug-94	350.0	102.6	107.1
Nov-94	550.0	123.9	133.3
Feb-95	300.0	130.4	117.9
May-95	250.0	121.0	119.0
Aug-95	350.0	124.6	108.3
Nov-95	350.0	156.5	160.7
Feb-96	250.0	124.0	107.1
May-96	100.0	72.6	72.6
Aug-96	300.0	153.5	170.2
Nov-96	50.0	133.3	133.3
Feb-97	550.0	150.6	131.0
May-97	100.0	167.9	167.9
Aug-97	450.0	126.7	126.2
Nov-97	150.0	147.8	154.8
Feb-98	450.0	114.6	116.7
May-98	350.0	167.2	115.5
Aug-98	350.0	117.5	116.7
Nov-98	250.0	160.2	135.7
Feb-99	150.0	161.1	171.4
May-99	300.0	175.6	108.3

Average Annual Growth in Volume

0.77%

Average Annual Growth in Prices (based on Mean Price)

3.95%

Average Annual Growth in Prices (based on Median Price)

3.77%

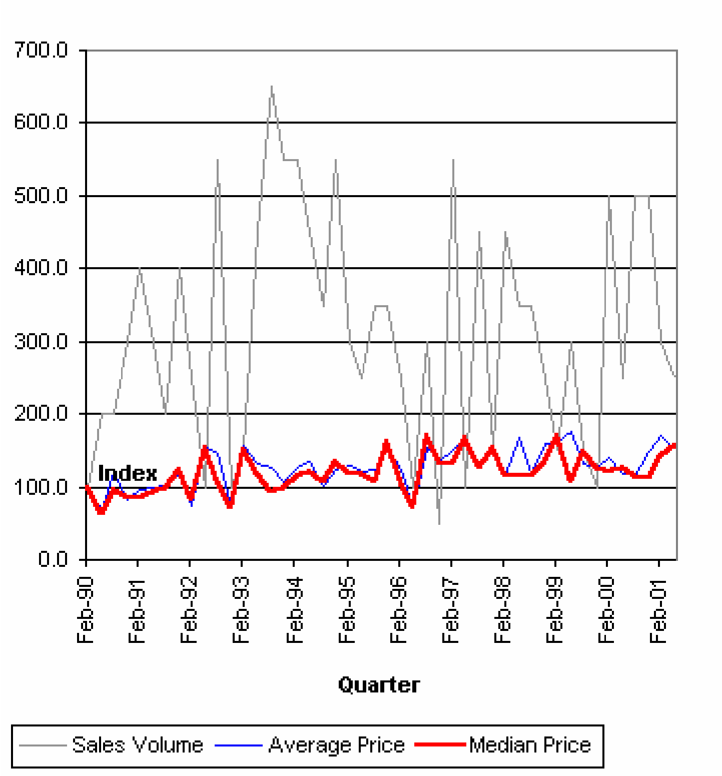
Time Series Indices

Probable Market Transactions

Tailem Bend - Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

	Indices		
Quarter (centre)	Sales Volume	Average Price	Median Price
Aug-99	150.0	131.0	147.6
Nov-99	100.0	125.0	125.0
Feb-00	500.0	141.0	121.4
May-00	250.0	118.6	126.2
Aug-00	500.0	114.5	116.7
Nov-00	500.0	148.4	113.1
Feb-01	300.0	170.0	144.0
May-01	250.0	151.1	155.5



Summary of Property Transactions				
Naracoorte **July 2000 to Jun 2001**		Detached and Semi Detached homes	Home Units	Vacant Land Under 2000 sqm
Total Sales		108	10	31
Probable Market Transactions		104	10	13
Price	Mean	$ 90,983	$ 108,800	$ 19,615
	Std. Deviation	$ 38,846	$ 14,274	$ 8,211
	Minimum	$ 23,000	$ 86,000	$ 6,000
	1st Percentile	$ 53,300	$ 87,800	$ 10,700
	Median	$ 83,125	$ 110,000	$ 20,000
	9th Percentile	$ 134,700	$ 120,500	$ 31,300
	Maximum	$ 300,000	$ 134,000	$ 34,000
Land Area	Mean	1147.6 sqm		979.5 sqm
	Std. Deviation	826.9 sqm		394.6 sqm
	Minimum	130.0 sqm		299.0 sqm
	1st Percentile	739.6 sqm		700.0 sqm
	Median	903.0 sqm		972.0 sqm
	9th Percentile	1634.2 sqm		1601.0 sqm
	Maximum	6003.0 sqm		1699.0 sqm
Number of Rooms	Mean	5.06	4.30	
	Std. Deviation	0.88	0.48	
	Minimum	2	4	
	1st Percentile	4	4	
	Median	5	4	
	9th Percentile	6	5	
	Maximum	8	5	
Equivelent Building Area	Mean	121.4 sqm	106.7 sqm	
	Std. Deviation	32.6 sqm	10.0 sqm	
	Minimum	59.0 sqm	90.0 sqm	
	1st Percentile	87.1 sqm	99.0 sqm	
	Median	116.5 sqm	104.0 sqm	
	9th Percentile	169.2 sqm	120.5 sqm	
	Maximum	218.0 sqm	125.0 sqm	
Building Condition Code	Mean	6.71	8.00	
	Std. Deviation	1.51	0.47	
	Minimum	2	7	
	1st Percentile	5	8	
	Median	7	8	
	9th Percentile	8	8	
	Maximum	8	9	

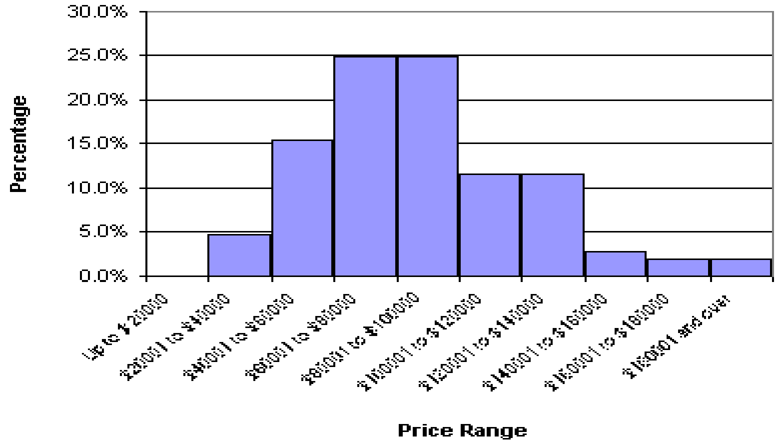
Summary of Property Transactions				
Naracoorte July 2000 to Jun 2001		Detached and Semi Detached homes	Home Units	Vacant Land Under 2000 sqm
Total Sales		108	10	31
Probable Market Transactions		104	10	13
Building Age	Mean	45.08 Years	9.60 Years	
	Std. Deviation	24.97 Years	11.58 Years	
	Minimum	1 Years	0 Years	
	1st Percentile	13 Years	0 Years	
	Median	45 Years	7 Years	
	9th Percentile	81 Years	14 Years	
	Maximum	101 Years	41 Years	

Summary of Property Transaction Prices

Naracoorte

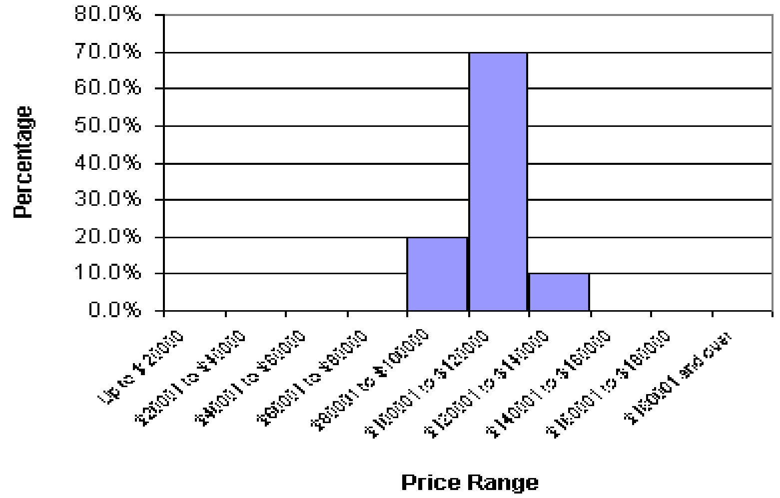
July 2000 to Jun 2001

Detached and Semi Detached Houses



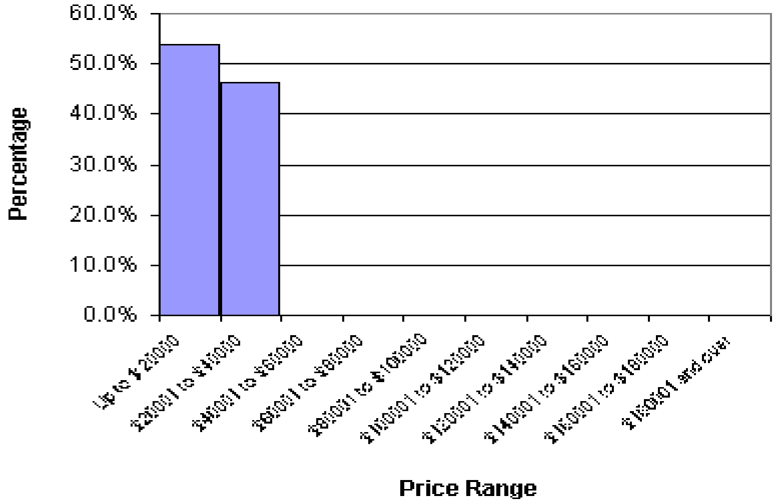
Total	104	100%

Home Units



Total	10	100%

Vacant Land Under 2000 Sq metres



Total	13	100%

APPENDICES

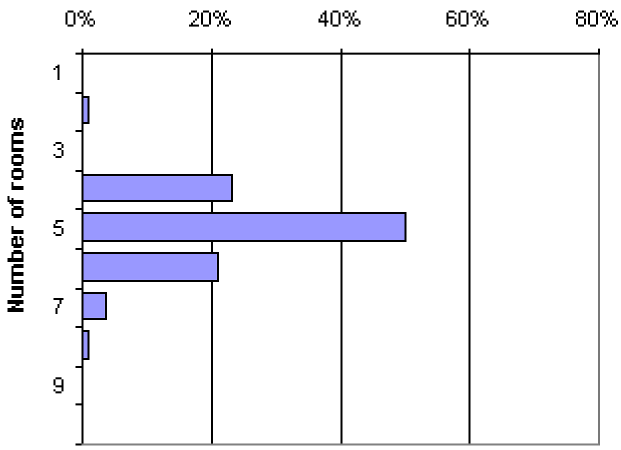
Summary of Building Characteristic for Property Transactions

Naracoorte

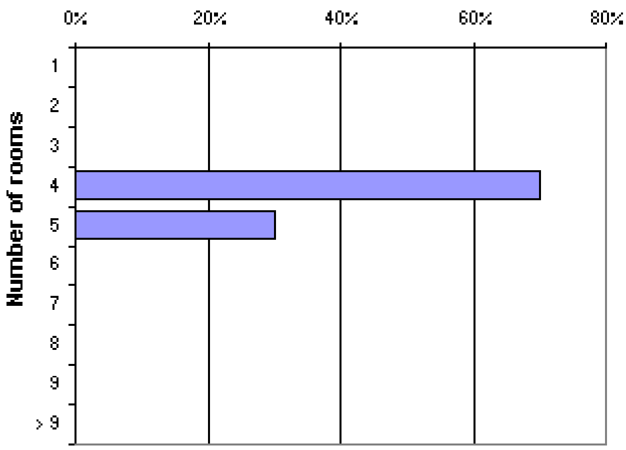
July 2000 to Jun 2001

Number of Main Rooms

Detached and Semi Detached homes

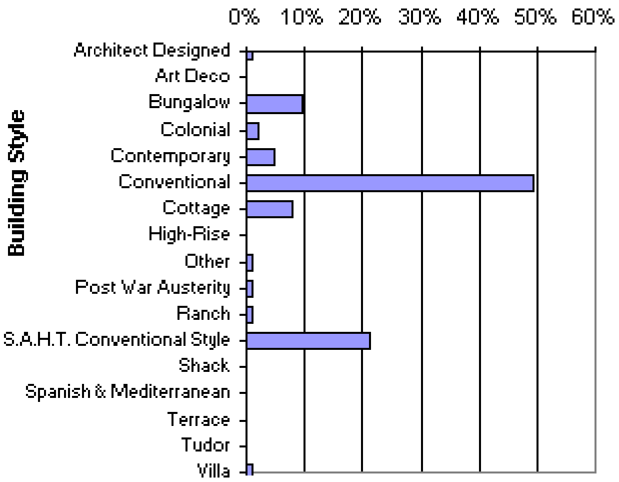


Home Units

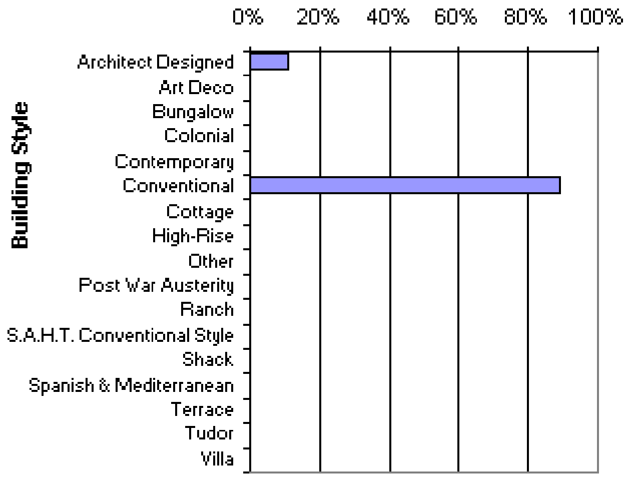


Building Styles

Detached and Semi Detached homes



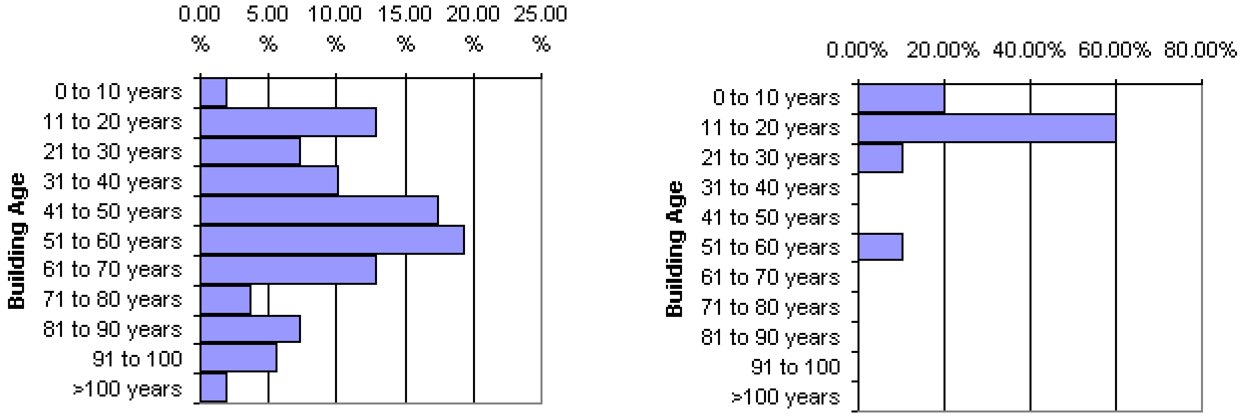
Home Units



Building Age

Detached and Semi Detached homes

Home Units



Time Series Summary of Property Transactions

Probable Market Transactions

Naracoorte - Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

		Average, Standard Deviation and 80% Probability				Median, 80 % Percentile Range, Minimum and Maximum				
Quarter (centre)	Volume	**Average**	Stdev	Lower 80% Prob Limit	Upper 80% Prob Limit	Min	1st Percentile	**Median**	9th Percentile	Max
Feb-90	24	**$61,458**	$26,918	$25,941	$96,976	$30,000	$36,000	**$58,250**	$81,500	$140,000
May-90	15	**$56,833**	$21,640	$27,726	$85,940	$21,000	$34,200	**$59,500**	$76,200	$110,000
Aug-90	20	**$71,900**	$25,092	$38,584	$105,216	$33,000	$42,850	**$66,000**	$100,750	$125,000
Nov-90	19	**$60,118**	$25,261	$26,511	$93,726	$29,500	$35,000	**$53,250**	$86,400	$125,000
Feb-91	22	**$66,341**	$31,405	$24,786	$107,896	$26,000	$35,000	**$61,500**	$96,900	$143,000
May-91	20	**$56,220**	$20,802	$28,601	$83,839	$28,000	$33,800	**$55,250**	$78,650	$115,000
Aug-91	17	**$68,351**	$28,212	$30,638	$106,063	$14,000	$36,700	**$65,000**	$106,400	$116,000
Nov-91	13	**$58,500**	$27,264	$21,524	$95,476	$25,000	$29,700	**$50,000**	$99,500	$112,500
Feb-92	18	**$53,944**	$23,636	$22,429	$85,460	$22,000	$32,800	**$48,500**	$88,800	$110,000
May-92	23	**$64,826**	$22,605	$34,959	$94,693	$30,000	$36,000	**$65,000**	$87,800	$125,000
Aug-92	29	**$57,862**	$27,735	$21,459	$94,265	$14,000	$30,000	**$55,500**	$97,600	$122,000
Nov-92	16	**$53,716**	$24,744	$20,544	$86,887	$8,500	$30,500	**$49,500**	$93,750	$95,450
Feb-93	33	**$66,992**	$17,513	$44,075	$89,910	$36,000	$48,200	**$67,000**	$90,000	$110,000
May-93	34	**$69,016**	$35,279	$22,880	$115,152	$15,000	$34,890	**$62,500**	$109,250	$200,000
Aug-93	24	**$62,396**	$25,902	$28,220	$96,572	$18,000	$31,500	**$58,500**	$94,750	$122,000
Nov-93	18	**$58,625**	$26,144	$23,765	$93,485	$15,000	$35,100	**$52,750**	$86,450	$126,000
Feb-94	34	**$66,051**	$24,633	$33,838	$98,265	$26,000	$40,550	**$62,750**	$103,050	$125,000
May-94	32	**$72,792**	$30,980	$32,225	$113,359	$28,000	$46,610	**$65,250**	$108,350	$162,500
Aug-94	19	**$82,289**	$41,242	$27,421	$137,158	$45,500	$48,400	**$62,000**	$127,200	$179,500
Nov-94	21	**$79,333**	$37,091	$30,176	$128,491	$40,000	$49,500	**$70,000**	$120,000	$185,000
Feb-95	31	**$72,734**	$31,502	$31,453	$114,014	$23,000	$47,000	**$66,500**	$117,000	$166,000
May-95	20	**$74,488**	$37,082	$25,253	$123,722	$25,000	$47,250	**$60,000**	$130,050	$160,000
Aug-95	21	**$86,048**	$32,932	$42,401	$129,694	$35,000	$44,000	**$80,000**	$132,000	$145,000
Nov-95	28	**$72,161**	$28,132	$35,204	$109,117	$35,000	$41,400	**$68,000**	$112,450	$132,000
Feb-96	30	**$75,233**	$38,230	$25,097	$125,370	$27,000	$37,900	**$62,500**	$121,000	$200,000
May-96	25	**$81,000**	$35,152	$34,675	$127,325	$38,500	$44,500	**$75,000**	$116,900	$185,000
Aug-96	21	**$69,512**	$30,402	$29,219	$109,805	$24,000	$30,000	**$65,000**	$120,000	$132,000
Nov-96	26	**$67,892**	$23,992	$36,310	$99,475	$38,000	$41,600	**$63,750**	$106,250	$118,000
Feb-97	24	**$78,823**	$34,990	$32,655	$124,991	$25,000	$50,300	**$72,500**	$117,750	$198,000
May-97	27	**$72,574**	$36,368	$24,751	$120,398	$26,500	$39,300	**$62,000**	$127,000	$168,000
Aug-97	23	**$78,065**	$28,058	$40,994	$115,136	$27,000	$48,200	**$78,500**	$106,900	$147,500
Nov-97	27	**$75,178**	$36,775	$26,820	$123,535	$32,000	$41,400	**$62,500**	$117,000	$190,000
Feb-98	26	**$81,481**	$44,994	$22,253	$140,709	$28,000	$36,000	**$75,500**	$131,000	$220,000
May-98	32	**$84,594**	$41,066	$30,820	$138,368	$21,000	$28,500	**$82,500**	$138,100	$198,000
Aug-98	31	**$81,161**	$29,434	$42,591	$119,732	$33,000	$48,000	**$80,000**	$115,500	$160,000
Nov-98	22	**$68,855**	$31,287	$27,456	$110,253	$30,000	$31,300	**$66,250**	$117,050	$135,000
Feb-99	23	**$76,046**	$35,937	$28,564	$123,527	$33,300	$39,000	**$70,000**	$121,700	$185,000

Time Series Summary of Property Transactions

Probable Market Transactions

Naracoorte - Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

		Average, Standard Deviation and 80% Probability				Median, 80 % Percentile Range, Minimum and Maximum				
Quarter (centre)	Volume	**Average**	Stdev	Lower 80% Prob Limit	Upper 80% Prob Limit	Min	1st Percentile	**Median**	9th Percentile	Max
May-99	14	**$82,500**	$44,715	$22,127	$142,873	$38,000	$42,400	**$67,500**	$150,400	$185,000
Aug-99	17	**$70,882**	$24,962	$37,514	$104,251	$46,000	$48,000	**$65,000**	$94,500	$145,000
Nov-99	31	**$85,852**	$39,589	$33,973	$137,730	$5,000	$48,000	**$74,500**	$129,500	$210,000
Feb-00	20	**$83,375**	$44,106	$24,815	$141,935	$28,000	$47,700	**$69,250**	$131,900	$204,000
May-00	26	**$85,365**	$38,479	$34,714	$136,016	$21,500	$40,995	**$82,000**	$137,500	$185,000
Aug-00	26	**$90,942**	$42,651	$34,798	$147,086	$23,000	$43,000	**$86,000**	$139,500	$203,000
Nov-00	24	**$85,885**	$31,130	$44,811	$126,960	$35,000	$54,050	**$80,250**	$133,750	$155,000
Feb-01	24	**$100,104**	$51,901	$31,623	$168,586	$45,000	$60,100	**$81,000**	$139,350	$300,000
May-01	21	**$96,524**	$33,538	$52,075	$140,973	$45,000	$58,000	**$95,000**	$132,000	$188,000

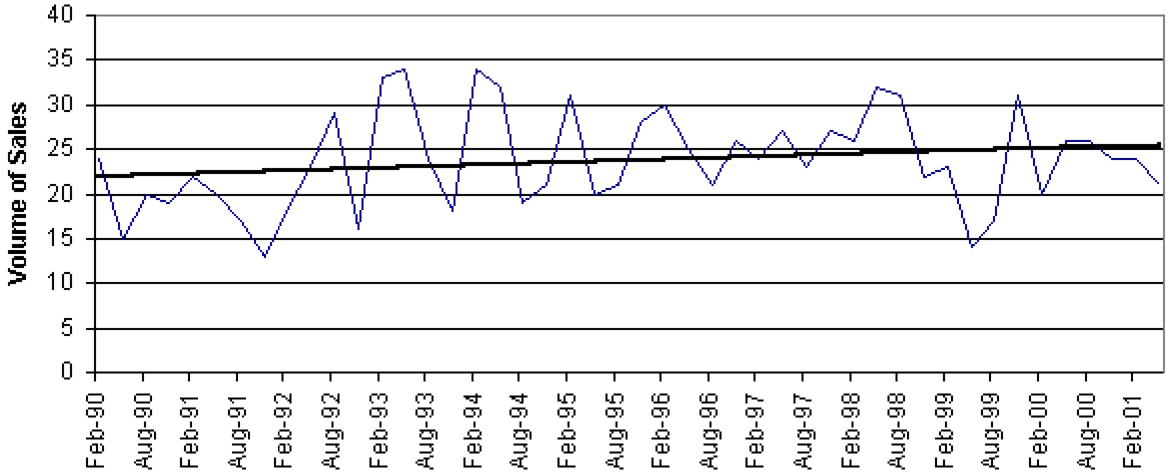
Time Series Summary of Property Transactions

Probable Market Transactions

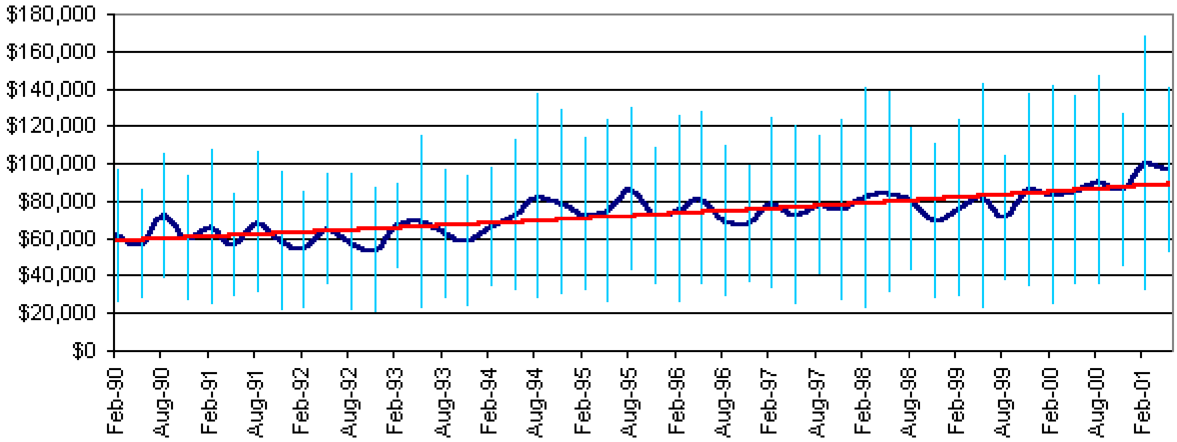
Naracoorte - Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

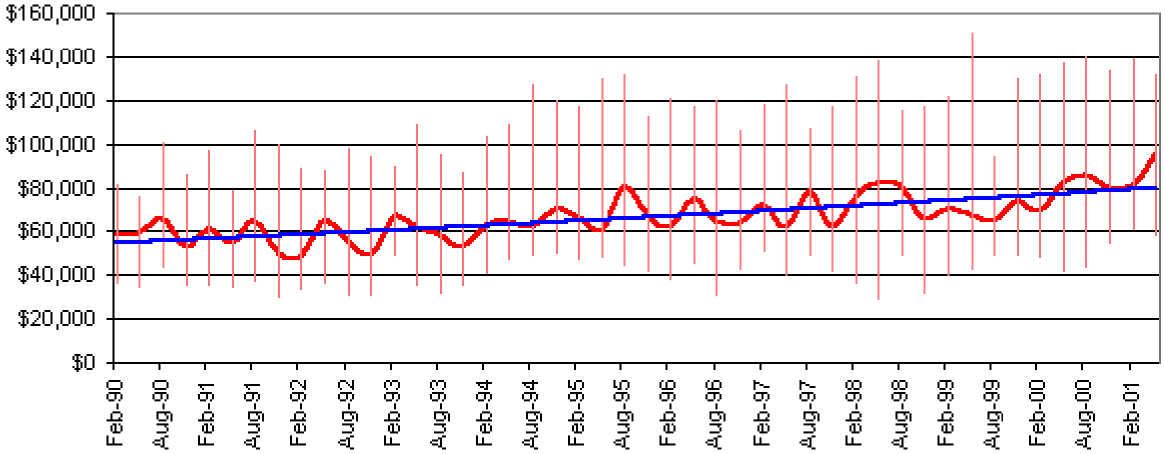
Volume of Probable Market Transactions and Trend Line



Mean Sale Price, 80% Probability ranges and Trend Line



Median Sale Price, 80 Percentile ranges and Trend Line



Time Series Indices

Probable Market Transactions

Naracoorte – Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

	Indices		
Quarter (centre)	Sales Volume	Average Price	Median Price
Feb-90	100.0	100.0	100.0
May-90	62.5	92.5	102.1
Aug-90	83.3	117.0	113.3
Nov-90	79.2	97.8	91.4
Feb-91	91.7	107.9	105.6
May-91	83.3	91.5	94.8
Aug-91	70.8	111.2	111.6
Nov-91	54.2	95.2	85.8
Feb-92	75.0	87.8	83.3
May-92	95.8	105.5	111.6
Aug-92	120.8	94.1	95.3
Nov-92	66.7	87.4	85.0
Feb-93	137.5	109.0	115.0
May-93	141.7	112.3	107.3
Aug-93	100.0	101.5	100.4
Nov-93	75.0	95.4	90.6
Feb-94	141.7	107.5	107.7
May-94	133.3	118.4	112.0
Aug-94	79.2	133.9	106.4
Nov-94	87.5	129.1	120.2
Feb-95	129.2	118.3	114.2
May-95	83.3	121.2	103.0
Aug-95	87.5	140.0	137.3
Nov-95	116.7	117.4	116.7
Feb-96	125.0	122.4	107.3
May-96	104.2	131.8	128.8
Aug-96	87.5	113.1	111.6
Nov-96	108.3	110.5	109.4
Feb-97	100.0	128.3	124.5
May-97	112.5	118.1	106.4
Aug-97	95.8	127.0	134.8
Nov-97	112.5	122.3	107.3
Feb-98	108.3	132.6	129.6
May-98	133.3	137.6	141.6
Aug-98	129.2	132.1	137.3
Nov-98	91.7	112.0	113.7
Feb-99	95.8	123.7	120.2
May-99	58.3	134.2	115.9
Aug-99	70.8	115.3	111.6
Nov-99	129.2	139.7	127.9

Average Annual Growth in Volume

1.64%

Average Annual Growth in Prices **(based on Mean Price)**

3.73%

Average Annual Growth in Prices **(based on Median Price)**

3.38%

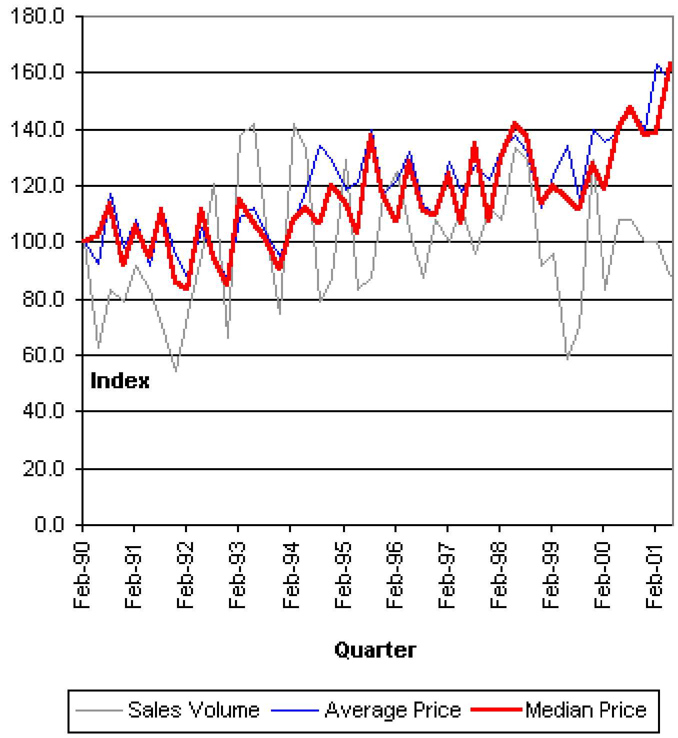
Time Series Indices

Probable Market Transactions

Naracoorte – Detached and Semi-detached Houses

Quarterly Summary from January 1, 1990 to June 31st 2001

	Indices		
Quarter (centre)	Sales Volume	Average Price	Median Price
Feb-00	83.3	135.7	118.9
May-00	108.3	138.9	140.8
Aug-00	108.3	148.0	147.6
Nov-00	100.0	139.7	137.8
Feb-01	100.0	162.9	139.1
May-01	87.5	157.1	163.1



APPENDIX C

SUMMARY OF MARKET INFORMATION

APPENDICES

Selected Township Summary

	Population count (1996)	Population change 1991-1996 (%)	Unemployment rate % (March 2001)	Median detached and semi-detached dwelling price ($) 2000-2001	Number of detached and semi-detached dwelling sales 2000-2001✳	Median building age of transactions	Average annual growth in volume over 10 years (%)	Average annual growth in prices over previous 10 years (%)	Median flat/unit price ($) sales 2000-2001✳	Number of flat/unit sales 2000-2001✳	Median land price ($) less than 2000 m^2 2000-2001 sales✳	Number of land sales (less than 2000 m^2) 2000-2001	Building approvals	Number of rented dwellings (1996)	Rented dwellings (public housing) (1996)
Murray Bridge	12,831	0.8	8.5	85,000	244	32	2.6	2.2	76,500	24	19,250	24	301	1,680	870
Mannum	1,966	-2.9	8.6	78,000	68	36	4.6	3.1	57,000	3	19,750	8	43	235	120
Tailem Bend	1,488	-0.9		55,000	35	50	0.7	3.7	-	0	6,000	1			
Pinnaroo	606	-6.0	2.3	29,500	16				26,111	3	850	4	1	40	9
Bordertown	2,337	4.5		73,000	92	34	5.8	2.2	-	0	19,500	13			
Naracoorte	4,674	-0.8	4.2	83,125	104	45	1.6	3.3	110,000	10	20,000	13	96	430	130
Kingston	1,431	-0.4		73,500	46	22	3.9	3.4	-	0	13,000	47			
Penola	1,189	3.6	3.6												
Adelaide								1.2							
Melbourne								3.8							

✳Refers to probable market transactions