

**Submission
No 45**

OPTIONS FOR ESSENTIAL WORKER HOUSING IN NEW SOUTH WALES

Organisation: Narrabri Shire Council

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Our Reference: 2191980 EH:SR
Your Reference:
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Mr Alex Greenwich
Chair
Legislative Assembly Select Committee on Essential Worker Housing
Parliament of New South Wales
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By email: enquiries@artc.com.au

Monday, 9 September 2024



Legislative Assembly Select Committee on Essential Worker Housing – Narrabri Shire Council Submission

Dear Sir,

Thank you for the opportunity to provide feedback in relation to Legislative Assembly Select Committee on Essential Worker Housing.

It is understood that the following terms of reference (ToRs) are applicable to the current review process:

- (1) That the Committee inquire into and report on options for essential worker housing in New South Wales, specifically:
 - a) Establishing an appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas.
 - b) Identify options to increase housing supply for essential workers, including but not limited to:
 - i) planning tools and reforms
 - ii) incentives for developments on privately owned land
 - iii) opportunities within developments on government owned land
 - iv) investigate reforms that promote fiscal sustainability, innovation and essential worker housing in-perpetuity
 - v) other related matters.



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Local Context

Narrabri Shire is a local government area in the North West Slopes region of NSW. The primary settlement of Narrabri is located adjacent to the Namoi River and at the confluence of the Newell and Kamilaroi Highways. The local government area (LGA) is strategically positioned halfway between Sydney and Brisbane and is considered to be resource-rich. Key local industries include mining and agriculture. At the last census (2021) the resident population was 12,721 persons. Narrabri Shire has approximately 7,734 residential properties.

Narrabri Shire Council's vision is articulated in the Community Strategic Plan as follows:

"Narrabri Shire will be a strong and vibrant regional growth centre providing a quality living environment for the entire Shire community."

The township of Narrabri is considered to be one of the most flood prone settlements in NSW. The community of Wee Waa, located west of Narrabri, is periodically completely isolated by flood waters for long periods (up to two weeks) and is protected by a ring levee. Narrabri Shire contains a number of vulnerable and at-risk communities that are flood-affected. These communities have a high Aboriginal population, low socio-economic base and are also ageing in nature.

A total of 6,949 workers were employed in Narrabri Shire, as of 2021. This employment is concentrated in the agricultural and mining sectors. Healthcare and social assistance as well as education and training industries also provide significant employment opportunities in the Shire, having a lower monetary value but being labour intensive industries.

Mining is a capital-intensive sector, producing high output per person employed. The industry workforce is dominated by FIFO and DIDO workers from surrounding LGAs and further afield who are not captured in local employment statistics.

According to data from the 2021 Census for Narrabri, there were a total of 1501 individuals recorded working in the Mining industry of employment, with 1043 (69.5%) of these individuals travelling to Narrabri for work (i.e., they were recorded as not living in Narrabri as their usual place of residence in the 2021 Census). This indicates that Narrabri's mining workforce is supported by people who travel to Narrabri for work.

Of the 1501 individuals recorded working in the mining industry of employment only 458 (30.5%), reside in Narrabri LGA.

Second in output and employment to mining is the agriculture industry. While it remains the second largest employer in the Shire, the total number of jobs supported by the agriculture sector has declined in recent decades.

The two main factors driving this long-term decline are technological improvements that have reduced reliance on labour, and the consolidation of smaller farms into larger farms. While the agriculture and mining sectors have created opportunities for the workforce and regional economy, the industries are vulnerable to the effects of climate change, fluctuations in global markets and government policy, each of which could have a significant impact on the local labour force.

Narrabri Shire Council provides the following feedback to the Legislative Assembly Select on Essential Worker Housing.

Establishing an appropriate definition for essential worker housing for the NSW Government to adopt including criteria for prioritising worker cohorts and geographical areas:

1. The creation of a definition is strongly supported. In the creation of an appropriate definition, consideration should be given to opportunities for harmonisation between the Skills Occupation List as routinely issued by the Federal Department of Home Affairs. The definition would ideally capture those essential workers required in the delivery of relevant services across all tiers of government i.e. local, state and federal.
2. In respect of prioritisation of worker cohorts and geographical areas, it is recommended that the corresponding framework and parameters include:
 - a. Immediate priority being given to areas of higher socio-economic disadvantage utilising the SEIFA index.
 - b. Communities with comparatively higher Aboriginal demographic representation based on the ABS census data, in recognition of this cohort being historically marginalised and socially disadvantaged, being given immediate preference for essential worker housing.
 - c. Assigned geographical areas being carefully selected and underpinned by existing service delivery frameworks, for example, Area Commands, Local Government Areas and the like.
 - d. Appropriate consideration of existing strategic delivery frameworks for example, Strategic Regional Land Use Plans, Growth Management Plans and similar.
 - e. Due regard being provided to current and future demands created by large employment generating industries. These include, but are not limited to, Renewable Energy Zones, areas subject to mining and resource extraction, and major infrastructure initiatives such as the Inland Rail project.

Options to increase housing supply for essential workers:

3. It is considered that a range of mechanisms are available to increase housing supply. These include:
 - a. Appropriate use and application of the NSW planning system which has been considerably streamlined in recent years to expedite housing approvals.
 - b. Fostering collaborative partnerships between government agencies in the delivery of housing projects. An example includes the draft Narrabri Place Strategy which was a collaborative approach between multiple agencies and a partnership between the NSW Department of Planning, Housing and Infrastructure and Narrabri Shire Council.
 - c. Building partnerships and business development opportunities with local aboriginal land councils (LALCs). Considerable opportunities also exist through this process to increase local capacity and capability.
 - d. Provision of last mile infrastructure in support of new residential release areas, for example the Narrabri South growth corridor is located on flood immune land but requires further augmentation in respect of the provision of essential services including sewer and water infrastructure.
 - e. Exploring opportunities for high quality modular housing and supporting further industry research and development in this space. An expansion of the current program being delivered in respect of social housing in the Modular Housing Taskforce.

- f. Facilitate a business grant assistance package to increase NSW manufacturing capabilities, in respect to design and manufacture of modular homes and related Modern Method of Construction manufacturing components for housing, for example, steel frame trusses. This would negate potential for future supply change disruptions, by increasing local capacity and capability.
- g. Proactively undertaking detailed land availability and suitability assessments for candidate sites. This process should also include residential market analysis and testing. Appropriate site-specific assessments should also be undertaken to ensure the suitability of candidate properties with due consideration given to natural hazards and infrastructure constraints.
- h. Maximising adaptive reuse opportunities in respect of existing and redundant community facilities and exploring the ability to consolidate housing required across disparate agencies. An example includes the installation of 'pod' housing for health practitioners at the Boggabri Hospital.
- i. Augmenting worker housing to employee retention and development programs. For example, provision of temporary housing arrangements on a transitional arrangement with subsidies reducing over time to encourage workers to embed within communities and ultimately relocate.
- j. Undertake a detailed assessment of, and therefore improve the inherent understanding of likely future worker housing needs. This may include an analysis of the suitability, condition and performance of existing housing assets.
- k. This detailed assessment should also include cumulative impact assessments of multiple private development, state and nationally significant projects engaging in construction concurrently or consequently in the defined geographical areas.
- l. Ensure that provision of housing does not become a future maintenance burden nor entails cost-shifting to local government or communities that are ill-equipped to manage such assets. The whole-of-life cost of such developments should therefore be considered.
- m. Consider opportunities for the innovative use of existing Council assets in rural and regional areas which are typically priority areas for future essential worker housing. Such facilities may include, for example, caravan parks which can accommodate moveable dwellings and modular homes.
- n. Suggest that the NSW Land & Housing Corporation undertake a statewide audit of their existing fully developed land. Then as a part of increasing the general supply of housing, either have the State construct suitable housing or sell off the land to private enterprise for them to develop.
- o. Provision of taxation incentives to promote land development.
- p. Continuation of trainee and apprenticeship incentive programs for employers to ensure of pipeline of suitably skilled tradespeople in industries of demand, particularly those aligned to the construction of housing.
- q. Incentive programs to increase the number development assessment planners and building surveyors, in areas facing increased need for temporary workforce accommodation.
- r. Provide local Councils with additional and ongoing State-government funded (wholly or partially), personnel and resources including, but not limited to, building surveyors, development planners within areas facing increased demands, in relation increased construction of temporary worker accommodation, due to state and nationally significant development.

Other Related Matters

Council has had direct experience in working with an organisation called Civeo to construct and operate two villages within Narrabri Shire. These villages have been in operation for over a decade and accommodate approximately 1,200 people. All of the accommodation was built by Civeo themselves. The villages took accommodation pressures off the existing Narrabri real estate and rental markets. This meant that real estate pricing did not go the same way as Moranbah in Queensland and Port Hedland in Western Australia. This in turn kept residents in Narrabri, that supported local businesses, participated in local sporting teams and events and generally kept the fabric of the Shire intact.

Should you require any additional information or clarification in this regard you are invited to contact Council's Director Planning and Sustainability, Ms Donna Ausling at [REDACTED]

Yours faithfully, [REDACTED]

Eloise Chaplain
Interim General Manager