



LISTENING REPORT

2024 National General Assembly

- ✓ Roads & Transport
- ✓ Disaster Resilience & Recovery
- ✓ Energy Transition
- ✓ Housing & Community Infrastructure

LISTENING SESSIONS OVERVIEW

Over 500 representatives from councils nationwide attended four concurrent listening sessions to share their stories and their community experiences in responding to the policy challenges in four critical areas:

- i) Roads & Transport
- ii) Disaster Resilience & Recovery
- iii) Energy Transition
- iv) Housing & Community Infrastructure.

Many of the representatives present were from councils in rural, regional and remote communities across Australia.

Panels of departmental and non-government policy experts attended as invited guests. Their role was to listen to the voice of local government, the concerns and feedback of participants, and to comment as required on federal government and other initiatives that might assist in challenges being faced in local communities.

The listening sessions were independently facilitated by Melbourne Leadership Group, who compiled this listening report. The comments in this report incorporate both verbal feedback provided by participants, and also written comments in the interactive audience engagement tool, Slido. This report captures the discussion in thematic categories rather than as a chronology.

As the sessions were not designed as problem-solving workshops, the report does not contain recommendations or the endorsed views of participating organisations; rather it is intended to convey to policy-makers the flavour of the conversations and the opinions and feelings of elected officials, their staff, and community members in local government areas.

It is important to note that:

- This report is a summary of the views of attending stakeholders at each listening session.
- The discussions and views raised in these sessions reflect the personal views of the attendees and do not reflect the position of the Australian Local Government Association.
- The discussion primarily reflects the lived experience of attendees and should be viewed as an insight into how each issue is viewed within councils and local communities.
- Any factual inaccuracies are a reflection of the discussion and have not been fact-checked as part of compiling this report.

If there was to be one unifying theme across all four sessions, it would be the importance of coordination and collaboration across all three tiers of government to achieving meaningful outcomes in these critical policy areas.

Melbourne Leadership Group

2 July 2024

ROADS & TRANSPORT

Survey results and responses

The pre-conference survey results from 36 participants highlighted road construction and maintenance as the major priority for council resources and budgets with regards to roads and transport.

The second priority was road safety, including the Black Spot and National Road Safety Action Programs, followed by active travel and transport, public transport and finally regional transport, heavy vehicles access and urban freight. In relation to road safety, respondents ranked infrastructure planning and investment as the highest priority, with medium priority for vulnerable road users, regional road safety and risky road use.

The invited guests on the listening panel, comprising both departmental and non-government policy experts, responded that the survey results reinforced what they were hearing, particularly around road construction and maintenance being the highest priority. They reported that construction costs and the challenges with road maintenance funding are of interest and the Government has been considering these issues. There had also been commentary from rural areas around resilience, roads and also operational supply chains.

With regard to road safety, invited guests highlighted the strong interest and investment in vulnerable road users and the need for both short and long-term solutions. Trends in road trauma are projecting higher injury rates compared to those of several decades ago, and local government is seeing this as a priority.

KEY THEMES

Road construction and maintenance

Rural roads, particularly those with increasing heavy vehicle road use, are an increasing burden for councils. Repeated flood events create ongoing pressures on road maintenance and the standard of road construction needs to ensure longer lifecycles. Currently the standard of road construction and maintenance is compromised by the funding received. Innovations and new technologies are not readily available or understood by local authorities.

Participants observed that, with the increase in heavy vehicle masses, sizes and volume, the current infrastructure is increasingly inadequate. Regional areas face

specific issues with road suitability for heavy vehicles, bridge replacements, and heavy transport using local roads instead of state routes. Safety concerns were expressed in relation to heavier and longer trucks. Suggestions were made about the need to improve rail freight accessibility to relieve the pressure of heavy vehicles on roads.

Councils in peri-urban high growth areas are increasingly challenged by road construction demands, to relieve congestion and safely manage the mix of cars, freight and public transport. Better planning for freight routes and bypasses for cities and urban areas is required.

Impacts of the transition to renewable energy

The group observed that new emerging industries and the rapid pace of change towards renewable energy is placing increasing heavy vehicle pressure on regional and rural networks, for the construction of renewable energy infrastructure and the movement of the mineral resources needed.

Concerns were also expressed about the implementation and cost implications of electric vehicle infrastructure in regional areas.

Funding and budget constraints

Councils highlighted a significant lack of funding and the impact of budget constraints affecting infrastructure maintenance and upgrades. Competitive grant programs do not seem to address the issue and increased longer term funding is needed.

The unit cost of road construction used by departments for funding was not considered to have kept pace with increases in construction costs, nor the need to upgrade road construction techniques to withstand heavy vehicle access and extreme weather impacts. The speedier processing of funding allocations would ensure more timely distribution following disasters.

Local knowledge of road use is high in regional and rural areas and greater engagement and recognition of this knowledge would assist in better decision making. Councils can provide more information on which stretches of road are degraded or unsafe.

Participants expressed the need for better coordination between levels of government for planning and budgeting for road and transport programs and initiatives.

Sharing of knowledge, data and information

Participants expressed appreciation for the sharing of knowledge, data and information. Ongoing investigations into innovations in road construction are welcomed, but not readily shared or accessible to councils.

Mass transition solutions are considered valuable. Examples of success in various cities were shared. Case studies highlighting heavy transport regulation and approaches between states are also helpful. High productivity vehicle operators can provide useful insights in the design of bypasses and truck facilities.

Ideas for the future

Coordinated and integrated planning and budgeting between all levels of government, based on current data and evidence, would improve the effectiveness of road and transport policies, programs and decision making on priorities.

Improved engagement, end to end thinking and working together is seen to be very beneficial to align approaches. Collaborative approaches to collecting data, setting priorities and assessing the value of investments are needed.

New funding models and frameworks are needed to address overall financial demands, unit cost increases and the changing nature of and patterns of road use and to ensure funding is well targeted to local needs. This includes understanding and aligning planning and budgeting cycles to funding recipients' needs.

Participants observed that opportunities exist for implementing innovations in new technology for road construction and maintenance with longer lasting products. The research work of publicly funded entities could be more fully shared.

Utilising mining waste rock for road pavements could provide significant cost savings and would support the general shift to a circular economy.

New supply chains in regard to mining methods and renewable energy infrastructure and resources could be better understood and monitored, to build longer term approaches for transport infrastructure needs.

Participants learned that the Commonwealth Government is working with states and territories to come up with a strategic prioritised plan.

New modes of public transport such as trackless trams and trains are being trialled and offer more options for growing cities and regions.

Better and more frequent engagement and transparency between local government and federal departments would assist with improving understanding of specific and diverse community needs and demands. Options and local solutions can be explored with case studies and examples of what has been trialled and is delivering benefits.

It was suggested that regional and rural local government road maintenance crews could be deployed for pothole repairs on state and national roads. This would provide a more immediate response and also a revenue stream back to councils.

Finally, federal department staff were encouraged to visit regional and rural councils to understand local needs first hand.

DISASTER RESILIENCE & RECOVERY

Survey results and responses

Prior to the session, a survey collected data on the current issues councils were facing in disaster resilience and recovery. The responses of 34 people highlighted similar issues to those discussed during the session. These included the critical importance of betterment compared to like-for-like replacement of infrastructure, better access to funding and quicker timeframes, the level of administrative burden, and the need for improved mental health and wellbeing support and better communication.

The listening panel noted that the current response to natural disasters is based on historical methods that have been used for some time. Due to the increased frequency of disasters, the downtime for recovery is shrinking and the resilience of communities to deal with these events is weakening.

There is recognition that there needs to be a paradigm shift in our mitigation strategies before disaster events, and how communities can become more resilient to withstand adversity both during and after an event.

The panel emphasised the importance of resilience and innovation becoming mainstream in disaster planning and response. Funding arrangements that are a product of a decade ago urgently require updating to address the present challenges that communities are now facing.

KEY THEMES

Infrastructure replacement and improvement

A dominant theme in participant discussions was building for betterment and its role in disaster mitigation. It was noted by the listening panel that mitigation and betterment needs to be incorporated as a preferred approach in future.

One council raised an example of rebuilding infrastructure back to a like-for-like state. The local community believed this infrastructure would not survive future disaster events and that front-line workers would face blame and criticism from their community about the insufficient strength and resilience of that infrastructure.

In 2022-23, one council had severe floods as a result of dams being at capacity. Participants commented that smaller councils do not have the capacity to respond to this scale and frequency of disaster events, and their ability to plan for and fund betterment is quite limited.

The limited resources that remote councils have access to was noted. Some remote councils relied on contract workers to do repair and recovery work. Many of the required tasks are put on hold when there is no workforce available. The workforce population in some areas is transient, which also creates the linked challenge of mobilising grassroots efforts to respond to disaster events.

Another participant noted that a future mitigation strategy should be conceived at a national level. The current model is perceived to result in communities being pitted against one another, which undermines a collaborative approach to mitigation.

Communication infrastructure was highlighted as an area for improvement, particularly in some coastal, rural and remote areas, which can get cut off from the urgent information needed to respond to disasters.

Funding

One of the biggest issues that was repeatedly raised by participants was the need for building for betterment. Mitigation works were seen as critical in helping communities build resilience due to the increased frequency of disasters they were responding to. There was a consistent message that building for betterment was heavily reliant on being able to access funding quickly, in order to meet immediate needs.

Some participants felt that consistency was not applied in the recognition of disasters. There were observations that having the 'right type of fire or flood' was needed in order to access appropriate funding. Receiving some types of disaster or emergency funding was only possible when disasters were recognised retrospectively after a second, well-publicised disaster hit months later.

The listening panel noted that the current funding model was an outdated product and that models needed to evolve. The panel mentioned that there was access to betterment funding and that there are ways of getting this to councils. There is a need to understand the weak points in the system and to better network.

Participants felt that financial relief for both businesses and individuals needed to be streamlined. An example raised was that farms and other businesses needed to spend government support funding first, then apply for reimbursement. This places

huge strains on the cashflow of some businesses. The conditions attached to funding needs to consider these consequences.

Several individuals raised issues around the access to Centrelink payments needed during disaster events. The administration required to set up a Centrelink profile with the agency was onerous for many, and it meant individuals did not apply or didn't receive funding in time when they needed it most.

Coastal adaptation

Another need that was identified by multiple councils across multiple states was the need for a National Coastal Adaptation Plan.

Some councils expressed urgency, as many townships in some councils were islands and forecast to be permanently inundated by rising sea levels. It was also expressed that listening to residents with lived experiences was key to informing this plan, and truth-telling was important in this area.

Mental health and wellbeing

It was recognised by the listening panel that this group had collective lived experience of trauma in times of disaster.

Due to the increased regularity of disasters, community members are being impacted more frequently by something that used to be a once in a lifetime event. The resilience of communities to bounce back from these events is heavily reliant on the mental health support both during and after these events. There was consistent sentiment that council staff and community members are exhausted and there is a need for increased mental health and wellbeing support.

The strain on councils and individual staff members was also recognised, as many of these people were also experiencing personal impacts of these events themselves.

The ongoing need for funding for mental health and wellbeing support was key to resilience and recovery efforts and needs to be a high priority when considering funding allocations.

First responders and volunteers

A key issue that was raised multiple times by the group was the mental health and wellbeing for first responders and volunteers. This support needed to be ongoing and not just during a disaster and its immediate aftermath.

It was observed that over past few years, more than 60,000 volunteers and staff have left the emergency services system, resulting in a significant generational gap in the volunteer cohort. There is an urgent need to find a way to get people to respond to these disasters.

Administrative load

Many of the participants mentioned that the administrative load on councils is onerous, especially for small councils. There are not the resources or capabilities available to meet the administrative requirements currently demanded.

One council shared the example of the process to repair and restore roads, which required the measurement of every pothole in order to get funding. Grant funding of \$6m was awarded, however, \$1m of this was spent on administrative costs alone. A more streamlined approach to reporting repairs and to reducing this administrative load is needed.

Insurance

Insurance was widely recognised a challenge for most communities affected by disaster, especially those in rural and regional areas. Due to the increase in natural disasters globally, and supply chain issues, the price of insurance is increasing worldwide.

There was consistent sentiment that insurance prices needed to be equitable for families. Another issue affecting insurances prices for remote families was that some remote communities don't have their own postcodes, and consequently these residents use the postcode of the nearest township, which had higher risk profiles and therefore higher premiums.

Structural mitigation was raised as a potential strategy for lowering insurance costs. Working with local brokers, who know the local area well, would be preferable to dealing with global companies.

It was acknowledged by both the participants and the panel that the insurance issue is complex, and that the current approach needed to be 'flipped on its head.'

Communication and collaboration

Whilst the pre-event survey did not highlight broad public awareness campaigns as a high priority, it was noted this was still an important factor to the resilience effort.

It was identified that more work needed to be done to work with indigenous communities to share local knowledge of the area, as well as helping those in remote areas to be more prepared for disasters. More isolated communities may have increased vulnerabilities during a disaster.

Some councils observed that communication channels within their communities were good, however, during a disaster these channels needed to be reliable and online to be effective. Some coastal councils said that due to infrastructure issues, communication efforts were difficult as these channels were sometimes down.

The panel shared information about new handbook guides to assist in the communication efforts during disasters.

Natural environment and wildlife

It was observed that due to changes in climate, extreme weather events, and population growth, some bushland areas are no longer safe to live in. The vulnerability profiles of natural environments need to be considered when housing and other community infrastructure is situated.

The care and management of affected wildlife post bushfires and floods was raised as an issue that needed more awareness and support. Much wildlife suffers severe injuries that will eventually prove fatal, and efforts are needed to support injured wildlife humanely in these events.

Things working well

Some councils acknowledged the positive outcomes that had come out of the disasters that they had been through, including the ability to adapt to the new challenges the world now faces.

Examples included having sub-committee groups in local townships as the go-to people on the ground in disaster-prone areas to provide information and communication during a disaster. Another example shared was a council appointing a Disaster Director who was solely focussed on the recovery effort and was not distracted by the day to day, business as usual work of council.

Many participants reinforced the need for a collective and collaborative effort between all levels of government and communities, and acknowledged that every council is unique and that therefore, there can be no one size fits all approach.

ENERGY TRANSITION

Survey results and responses

Responses were received from 24 people to the pre-conference survey.

Participants were asked to choose the priorities for their council area in the energy transition and net zero space. Pathways to transition to net zero for both council operations and the community was the highest priority identified.

Responses were spread for community engagement and retrofitting of existing buildings, ensuring the planning system is capable and effective of supporting the net zero transition, and supporting new technologies and innovation. The response to the fair transition of replacing fossil fuels industries, and building new renewable and transition lines, was slightly more polarised, with some respondents rating this as a high priority and others rating it the lowest.

The majority of respondents indicated an intention to make a submission for round 2 funding for the Community Energy Upgrades Fund Program.

KEY THEMES

The broader group discussion revolved around the transition to renewable energy and its impact on local communities. Key themes included the need for equitable access to renewable infrastructure, especially in rural areas; the importance of tailored, place-based approaches rather than one-size-fits-all solutions; the urgency of developing clear transition pathways; balancing energy efficiency with renewable energy production; concerns about the economic impact on local communities, particularly job losses in fossil fuel industries; the need for better storage solutions and grid planning; the importance of community benefits and social license; challenges in funding and infrastructure development for local councils; and the potential for local manufacturing and economic opportunities in the renewable sector.

In imagining future policies and possibilities for Australia's energy transition, the discussion explored setting aside ideological differences to prioritise national interests, increasing renewable energy usage, and depoliticising the energy sector to build public trust and understanding.

Participants observed a disconnect between younger generations and cost-of-living concerns, particularly regarding regulating reducing emissions and impact. There

was support for better-funded energy programs, investment in energy storage solutions for worst-case scenarios, and the development of a comprehensive national grid masterplan.

There was a strong emphasis on collaboration between different levels of government, knowledge sharing, and the need for a comprehensive national energy transition plan that considers environmental, economic, and social sustainability.

To enable governments, communities and councils, the dialogue highlighted coordinated efforts across different levels of government and stakeholders, and emphasising collaboration, transparency, and community engagement will be important to successfully navigating the energy transition towards a sustainable future.

What's working well

Notable insights that arose during the dialogue included several innovative energy initiatives with remarkable success and no direct financial investment.

The establishment of a virtual battery system was discussed; one that allows residents' batteries to be used by the community when homeowners are away.

Through a white-labelled bulk fuel program, residents can purchase solar panels and batteries at competitive prices with no upfront costs, repaying through energy savings. This program is evolving into a virtual power plant for energy sharing.

Participants report that these initiatives have been highly successful and positive, requiring only their time and effort to coordinate. The community also offers bulk-buy electric chargers for homes.

The group considered the potential impact of a focus on reducing their own power consumption first and transitioning to renewable sources internally.

The role of local government

A recurring theme throughout the conversation was the crucial role local councils play in leading the transition to renewable energy, requiring a bespoke approach for different communities as challenges vary across regions. Critical aspects raised included comprehensive planning, lobbying for federal support, addressing cost shifts, the importance of building social license through community engagement and the challenges when social license is expended through factors outside of the council's control, such as energy transmission lines.

Several individuals highlighted the need to understand and target major emission sources, adopt end-to-end approaches, and prioritise local procurement.

Challenges involve coordinating infrastructure for diverse needs, embedding circular economy principles, and improving inter-governmental coordination.

It was noted that the focus has shifted towards planning in recent months, emphasising energy efficiency, knowledge sharing, and collaboration among local government areas.

The conversation touched upon the key to success being a collaborative approach to navigating change, leveraging Australia's resources, and ensuring genuine community engagement to address concerns and build social acceptance for renewable energy initiatives.

Participants also observed that regional councils sometimes struggle to recruit enough staff to complete important strategic transition documentation such as climate plans and risk assessments. This is an important area worthy of funding.

Finally, participants expressed frustration that some councils are not able to charge fair council rates to renewable electricity generators and that millions of dollars in rates were therefore being pushed to communities. Some felt that without councils being able to levy rates on crown land, there was no benefit to local government from the presence of wind turbines.

The role of federal government

Participants questioned whether federal government departments were working together on the intersection of various policies that impact energy transition. They queried how the federal government might better support investment by local governments in the human capacity to participate in the transition.

More direct suggestions included a household battery program being funded by the federal government to take advantage of abundant rooftop solar power, and the development of a federal government policy on the end of life treatment of renewable components such as wind turbine blades and solar panels.

Participants were particularly keen to avoid the issue of cost shifting on to local government.

Community context and impacts

Various perspectives were offered highlighting the complex challenges and opportunities surrounding Australia's energy transition. There was a strong emphasis on the need for targeted, place-based approaches that respond to local community needs, particularly in regional areas.

While renewable energy development faces obstacles, including land use conflicts and transmission infrastructure impacts on farmland, there was recognition of the potential for domestic manufacturing to fill employment gaps left by fossil fuel industries.

The conversation acknowledged the urgency of addressing climate change, with Australia potentially facing severe consequences if action is delayed. However, concerns were raised about job losses and the economic impacts in communities reliant on traditional power sources.

Participants called for energy market regulators to act more quickly reliably to approve or disallow generation and storage projects, and for a greater investment in Australian-made technologies and manufacturing capabilities, particularly in areas like battery production and software development, to capitalise on the economic opportunities presented by the energy transition.

Other participants observed 'consultation fatigue' that flowed from multiple renewable energy providers trying to 'woo' regional communities. Some felt that the developers of solar and wind farms were disinclined to exhibit goodwill to communities and were more focused on profits.

One participant felt that the community impact of renewable energy developments was one cost to balance in the face of broader cost of living challenges. Another participant thought that an appropriate offset to the community impact was the granting of free electricity to communities around large scale projects.

Energy itself

During the discussion, the multifaceted challenges and opportunities in the energy transition were discussed. Highlighting the importance of energy storage and the need to focus on reducing consumption overall, participants felt that energy efficiency and storage is as crucial as the energy source itself.

The group observed that renewable energy, while promising, faces challenges with predictability and storage, leading some to question if net zero can be achieved

without nuclear power. Concerns were also raised about the sustainability of battery production, wind turbine blades and solar panel lifecycles. Some participants felt that wind and solar energy is as only as good as the weakest battery.

The discussion touched on the complexities of centralised versus distributed infrastructure, the oversupply of solar energy during midday, and the need for universal electric vehicle charging standards.

Attendees shared potential solutions for exploration such as bulk purchasing for communities, local energy generation and consumption, and finding ways to utilise excess midday energy.

A recurring theme throughout the conversation was that the energy transition is not just about achieving net zero, but also about ensuring the prosperity, safety, and security of Australians in a global context.

Community benefits

Participants shared that the transition to renewable energy presents significant opportunities, but there's a pressing need to ensure its benefits reach everyday households, communities, and regions directly impacted by the change.

Attendees addressed the substantial potential for community benefit, however they flagged concerns about the current renewable rollout and the distribution of advantages. Issues discussed include the lack of financial returns to local government areas, despite increased infrastructure demands, particularly in areas targeted for large-scale projects like offshore wind farms.

There was a call for more transparent and effective benefit-sharing mechanisms, including free or discounted power for residents. The transition is seen as an environmental issue, and crucial for economic and social sustainability. However, others in the group shared that the current approach isn't sufficiently supporting widespread manufacturing growth or providing adequate structures for community benefit.

The impact on land use was acknowledged, where in some cases valuable agricultural land may be sought for renewable energy production which could be located elsewhere. The desire to protect land for its highest and best use was emphasised. Councils were keen for land use policies and community benefit funding models to be upheld, and for state government policy to assist in ensuring that development proponents abide by council guidelines.

Participants observed that improving access to benefits for constituents and securing social license through tangible community benefits are considered fundamental to the success of this transition.

One participant observed that the clear benefit to communities from the transition to cleaner energy is a planet that is habitable for humans.

Changing the narrative

Another area of challenge explored during the discussion was the importance of having a clear vision for the future of energy and community development overall, as well as an underpinning narrative. The opportunity to change the narrative and language around the transition and renewable energy could be impactful.

A participant suggested that we should not be constrained by current limitations, but instead focus on defining the ideal future state we want to achieve. The conversation highlighted the need to shift the perspective from simply reaching net-zero emissions to considering the broader economic and social implications of energy transition.

The group stressed the importance of empowering communities to determine their own goals and the kind of life they want to build. The discussion also touched upon looking to other countries leading in this area, suggesting that there are valuable lessons to be learned from their experiences.

The conversation identified the need to broaden the dialogue beyond technical energy solutions to encompass a more holistic view of community development, quality of life and complexity.

HOUSING & COMMUNITY INFRASTRUCTURE

Survey results and responses

The pre-event survey was completed by 45 people and showed that the provision of public and social housing was the highest concern among respondents, with nearly half of the respondents selected this as the most important issue.

This was followed by the capacity of the council workforce, the provision of financing through private, individual and institutional investment, and the capacity of the local construction industry.

Around 30% of councils would be making a submission on behalf of the council to the Housing Support Program. When asked about the Thriving Suburbs Initiative, 53% of participants responded that they will make an application when it opens.

Survey respondents also commented on the responsiveness of federal funding models to local needs, the coordination of multiple tiers of government, taxation arrangements, new housing models, market intervention, and the differing needs of rural and remote areas.

The listening panel noted that the survey results reflected a wide range of issues that are integral to the daily policy work of departments, highlighting the extensive reach of various departments to address housing policy.

The differing challenges across regional, rural and remote areas showcase the diverse range of challenges which face policy makers. Despite these differences, there are common threads, such as the importance of aged care and the goal of keeping people in their homes as long as they desire.

The panel also discussed sustainability concerns, considering climate and disaster resilience in housing planning, and the need for active transport connections to reduce car dependence.

A perennial issue noted by the panel is the need to increase exposure for Government programs within communities in order to incorporate community ideas and lived experiences.

The panel recognised the importance of increasing social housing, including income-based rents, key worker housing, and affordable housing, with the budget set to expand social and affordable housing over the next five years.

However, the panel also pointed out several roadblocks to delivering the expected number of homes. The actual number being delivered is lower than predicted, with a productivity decline in the industry due to labour shortages and retiring tradespeople. Regulatory issues and increased building costs adds further pressure.

Private investment in housing is declining due to these rising costs and rising interest rates. The panel mentioned that while there is a target of building 40,000 houses, only about 20% might be realised if these issues were not addressed.

Investment in social housing is starting to increase, but it is sometimes viewed as a something governments fund only in better economic times. The panel suggested that 1 in 10 houses should be socially affordable, emphasising the need for long-term commitment to building social and affordable housing and more partnerships.

The federal government was commended for prioritising housing, even at a challenging economic time. It was observed that meeting targets is difficult and noted that the housing crisis is an international issue, not solvable by pressuring local governments alone.

The private sector alone cannot deliver the predicted housing numbers; both private and government sectors must collaborate. Governments will need the right tools and planning capabilities to do this.

KEY THEMES

Cost of housing

The rising cost of housing was a consistent theme throughout the discussion. Participants observed the multifactorial reasons driving the cost increases.

Labour shortages have an impact on housing costs. Due to these shortages, project timelines are often inaccurate, leading to increased expenses. Subcontractors are charging higher rates and taking longer to complete projects, further driving up overall costs. Industrial relations issues and enterprise bargaining outcomes have added to expenses, with some agreements causing a 20% rise in costs and 100 days of paid non-working time.

Additionally, the cost of regulatory compliance has surged, requiring more administrative workers. Meanwhile, the rising material costs due to restricted resource extraction and freight challenges add to construction difficulties and cause overall input costs to rise.

Workforce

The group discussed the significant impact of a tight workforce. Long-term solutions proposed included encouraging more people to enter trades, advocating for skilled migration, and prioritising trades through government funding to support work experience programs.

Participants highlighted a reluctance for builders to take on apprenticeships due to increasing and time-consuming administrative and legislative requirements. The group discussed ways to make these processes more appealing, such as the Apprentice Incentive Review, which simplifies the process. There was a suggestion that the government could consider covering the costs between trades and training companies.

The discussion also highlighted the gender imbalance in trades, emphasising the potential workforce that could be tapped by encouraging more women to enter the construction sector. To make this successful, the provision of childcare and addressing the stigma of hiring women would require action.

The shortage of tradespeople in regional areas potentially underscores the need for federal subsidies to attract apprentices and enhance TAFE programs. Increasing wages for tradespeople, especially carpenters, could be key to encouraging both new entrants and mature workers to join the industry.

Social housing provision

Participants observed that integrating social housing into existing communities presents significant challenges, especially when there is local resistance. Overcoming negative perceptions is crucial to normalising the need for a diverse range of housing options to ensure everyone has access to shelter.

Some best practices for community engagement were shared. Early community involvement in the design process was raised as a way to address this issue. By fostering partnerships between local councils and communities, and involving them in the housing design phase, residents could better understand the planning and thought behind social housing projects. Building relationships and openly discussing social housing could help community members see that social housing residents are a diverse group, and that social housing does not necessarily lead to community challenges, unlike the problems caused by homelessness.

The panel acknowledged the audience's knowledge and expressed a desire to partner with them to showcase the benefits of such partnerships, and the benefits of social housing for local communities.

The importance of collaboration between public and private sectors to facilitate the delivery of social housing was also emphasised. There is an opportunity for the private sector to better understand the constraints faced by the public sector and vice versa. Inclusionary zoning requirements for the private sector to meet would be integrated into land purchase costs, as has occurred in London, if governments applied these policies consistently. Participants also cautioned against the privatisation of public housing over time.

Coordinating across tiers of government

The involvement of local, state and federal government was discussed at length throughout the session. While it was noted that the federal government is involved in housing more than ever, ambitious housing targets will only be met if the effort between levels of government is coordinated and collaborative.

The group discussed how to align state governments to support federal funding for housing projects, without reducing state contributions as federal funding increases.

Participants also highlighted the challenges of the regulatory burden on developers and builders. The risk aversion of decision-makers at local, state, and federal levels sometimes delays crucial decisions, which hinders progress. All levels of government need to expedite decision-making to meet housing targets.

Concerns were raised about how states manage federal funds for social housing, sometimes taking out a portion for themselves, thereby reducing overall funds available for housing. The panel noted that new funding agreements have an outcomes framework to ensure states report spending and progress transparently.

Direct funding to local governments was discussed as an alternative to competitive grants, which often do support innovative approaches. There could be more trust placed in local councils to deliver what is needed for their communities and potentially become their own housing providers.

Engaging local builders and creating circular housing economies could yield significant results, as evidenced by local councils producing multiple houses with limited funding. Joint home-building vehicles and special purpose vehicles were discussed to access larger funding pools and bring in necessary skills.

Taxation

Taxation policies significantly impact housing affordability and availability. Avenues for reform suggested by participants include changing negative gearing laws to discourage viewing homes purely as investments, which could help stabilise the housing market. Tax reforms could also enhance housing mobility, allowing individuals to move into suitable housing at different life stages.

Revising capital gains tax to exempt homeowners who rent out part of their homes to social housing candidates could incentivise more people to offer housing options. The panel observed that the Henry Tax Review recommended that government not consider changes to tax arrangements until the supply of housing was right, as premature change would reduce the number of houses being built and lead to a loss of investment in housing and a loss of jobs in the industry.

Participants mentioned that one issue not discussed enough is the involvement of banks setting the price of the housing. The influence of taxation change, grant funding and the RBA's interest rate decisions greatly affect the market.

Funding

To enhance funding for social housing, suggestions included providing interest-free loans on a per capita basis to local governments, allocating part of the Housing Australia fund directly to local councils, and ensuring that federal funding is directed to local governments rather than state governments.

The effectiveness of competitive grant programs in addressing housing needs was questioned, with a call for leveraging data to understand local requirements better. There is also a need to incentivise institutional investment in affordable housing. Advocating for low fixed-rate long-term bank loans, similar to those in the USA, could provide financial stability for homeowners.

Local councils' readiness to undertake affordable housing projects was noted, but state government requirements for market value payment for unused land often hinder these projects. The potential for the federal government to remove the profit motive from state governments to facilitate such projects was discussed.

The efficiency of government spending on rental housing was questioned, and the need for value-for-money assessments was emphasised.

Housing types and quality

The need to focus not just on the number of houses, but also on improving living standards, was discussed. Integrating health and wellbeing into housing policy and design, such as considering accessibility, adaptation, energy efficiency, and communal spaces, is crucial. NDIS money shouldn't need to be spent on upgrading housing.

It was noted by the panel that national housing and homelessness programs are considering approaches such as these, and a national construction code would take into account the minimum criteria for accessibility and adaptation.

The importance of placemaking was emphasised, highlighting that we cannot lose the connection between great placemaking and housing numbers. It was noted that public housing now includes communal spaces in the design process.

Cohousing projects with intergenerational and varied home sizes, where families and individuals can have private living spaces but share communal areas can facilitate integration, could be encouraged.

Concerns about poorly built single dwellings on small blocks were raised. The role of state governments in applying planning controls and ensuring builders adhere to standards was highlighted. The need for accountability in the building sector to maintain standards and reputation was emphasised. Participants encouraged builders who do not comply with building laws to be held accountable, as non-compliant businesses undercut their competitors and damage the construction sector's reputation.

Additionally, the impact of poorly located housing on the cost of living was noted, with the examples of tolls, lengthy commutes, childcare, and parking discussed. There was a call for the Commonwealth to guide state governments to prevent them from simply handing over land to developers without ensuring quality infrastructure. The panel noted that the Housing Support Program has a focus on well-located housing, and emphasised that planning controls are the responsibility of state governments.

Addressing the housing needs of single-person households in small communities was discussed. The industry could consider building homes that better suit the needs of single people, as most current houses are designed with multiple bedrooms, which may not be suitable for all demographics.

Participants observed that there is a distinction between a housing problem and a homes problem, emphasising the need to better use existing homes and infrastructure. The adaptive re-use of excess office space for housing could reduce carbon impact, and councils should play a role in housing supply due to their local knowledge in this space.

Leasing land for long terms, such as 99 years, could reduce the cost of home ownership. Reviewing and releasing boarded-up housing stock would also help. A consistent approach across all governments to resolve issues related to tiny homes and mobile homes is needed.

Policy and governance

Some participants felt that local government should play a significant role in housing, supported by policies such as inclusionary zoning. State government bureaucracy was seen to hamper federal and local government partnerships, with local councils frequently bearing the brunt of cost-shifting.

Recognising that regional councils have different needs compared to larger urban councils was seen to be essential. The classification of rural and remote communities means some councils, although worthy of funding, are not receiving it.

Giving local councils control over short-term rental accommodations could help to manage housing availability. There seems to be little appetite from the Commonwealth to address this, leaving it a state issue. A direct link between negative gearing and Airbnb was noted as a challenge that needs addressing.

Capacity of local government

Participants felt that local governments, familiar with their communities' needs, should receive direct funding to avoid duplication of efforts, however balancing business-as-usual responsibilities with building partnerships is challenging for local government staff.

Clear communication channels and readily accessible contact details for collaborative partners are essential. Awareness of funding programs that enable local and Commonwealth collaboration in social and community housing is necessary for effective action.

Some participants expressed concern that local government was being encouraged to take a role in housing provision, which is traditionally thought to be a policy responsibility of state and federal government.

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Level 20 / 31 Queen St, Melbourne 3000

 1300 388 563