



EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY COMMITTEE

AGENDA

2 AUGUST 2022

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that an **EMPLOYMENT AND ECONOMIC DEVELOPMENT POLICY COMMITTEE MEETING** of **ORANGE CITY COUNCIL** will be held in the **COUNCIL CHAMBER, CIVIC CENTRE, BYNG STREET, ORANGE** on **Tuesday, 2 August 2022**.

David Waddell
CHIEF EXECUTIVE OFFICER

For apologies please contact Administration on 6393 8106.

AGENDA

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1 INTRODUCTION

1.1 DECLARATION OF PECUNIARY INTERESTS, SIGNIFICANT NON-PECUNIARY INTERESTS AND LESS THAN SIGNIFICANT NON-PECUNIARY INTERESTS

The provisions of Chapter 14 of the Local Government Act, 1993 (the Act) regulate the way in which Councillors and designated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public role.

The Act prescribes that where a member of Council (or a Committee of Council) has a direct or indirect financial (pecuniary) interest in a matter to be considered at a meeting of the Council (or Committee), that interest must be disclosed as soon as practicable after the start of the meeting and the reasons given for declaring such interest.

As members are aware, the provisions of the Local Government Act restrict any member who has declared a pecuniary interest in any matter from participating in the discussion or voting on that matter, and requires that member to vacate the Chamber.

Council's Code of Conduct provides that if members have a non-pecuniary conflict of interest, the nature of the conflict must be disclosed. The Code of Conduct also provides for a number of ways in which a member may manage non pecuniary conflicts of interest.

RECOMMENDATION

It is recommended that Committee Members now disclose any conflicts of interest in matters under consideration by the Employment and Economic Development Policy Committee at this meeting.

2 COMMITTEE MINUTES

2.1 MINUTES OF THE ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE MEETING HELD 13 JULY 2022

RECORD NUMBER: 2022/1367

AUTHOR: Rachelle Robb, Director Corporate & Commercial Services

EXECUTIVE SUMMARY

A meeting of the Economic Development Community Committee was held on 13 July 2022. The minutes are attached for adoption.

LINK TO DELIVERY/OPERATIONAL PLAN

The recommendation in this report relates to the Delivery/Operational Plan strategy “12.1. Attract and grow strategic investment”.

FINANCIAL IMPLICATIONS

Nil.

POLICY AND GOVERNANCE IMPLICATIONS

Nil.

RECOMMENDATION

- 1 That Council acknowledge the reports presented to the Economic Development Community Committee at its meeting held on 13 July 2022.**
- 2 That the minutes of the Economic Development Community Committee meeting held on 13 July 2022 be adopted.**

FURTHER CONSIDERATIONS

Consideration has been given to the recommendation’s impact on Council’s service delivery; image and reputation; political; environmental; health and safety; employees; stakeholders and project management; and no further implications or risks have been identified.

ATTACHMENTS

- 1 EDCC Minutes 13 July 2022
- 2 EDCC Agenda 13 July 2022, D22/41601 [↓](#)

ORANGE CITY COUNCIL

MINUTES OF THE

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE

HELD IN COUNCIL CHAMBERS, CIVIC CENTRE, BYNG STREET, ORANGE

ON 13 JULY 2022

COMMENCING AT 8.00AM

1 INTRODUCTION

ATTENDANCE

Cr T Mileto (Chairperson), Cr J Evans (Teams), Cr M McDonell (Teams), Cr T Greenhalgh, Mr Alex King-Elphick, Mr Wayne Sunderland, Mr Garry Norton, Mr Michael Banks, Mr Robert Alford, Mr Craig Hort, Mrs Michelle Smith (Teams), Mr Russell Tym, Mr Reg Kidd, Mr Timothy Hall, Mr Darryl Curran, Manager Economic Development, Business Projects Officer

1.1 Apologies and Leave of Absence

RESOLVED

Mr R Kidd/Mr T Hall

That the apologies be accepted from Cr F Kinghorne, Mr Tony Healey, Mr Grant Gill, Mrs Catherine Lawrence, Ms Julia Andrews and Ms Kath Logan for the Economic Development Community Committee meeting on 13 July 2022.

1.2 Acknowledgement of Country

The Chairperson conducted an Acknowledgement of Country.

1.3 Declaration of pecuniary interests, significant non-pecuniary interests and less than significant non-pecuniary interests

Mr Reg Kidd advised the Committee that he is the Chair of the NSW Transition to Renewable Energy Taskforce which may relate to Item 3.2.

2 PREVIOUS MINUTES

RESOLVED

Cr T Greenhalgh/Mr M Banks

That the Minutes of the Meeting of the Economic Development Community Committee held on 15 June 2022 (copies of which were circulated to all members) be adjusted to include the attendance of Mr Reg Kidd and are hereby confirmed as a true and accurate record of the proceedings of the Economic Development Community Committee meeting held on 15 June 2022.

3 PRESENTATIONS

3.1 PROPOSED DIGITAL COMMUNICATION BETWEEN COUNCIL AND BUSINESS

TRIM REFERENCE: 2022/1286

A verbal presentation and discussion led by the Manager Economic Development and Business Projects Officer led to discussion and consensus in the committee that an electronic newsletter be developed on a monthly basis including the following topic areas:

1. Recent Council decisions related to business
2. Current Your Say and other opportunities to provide feedback to Council
3. Resources available to local businesses including grants and data and land sales when available
4. Editorial on a local business each publication (suggest we start with EDCC members as a thank you for their time and input)
5. What's happening with other key strategic partners (Business Orange, Biz HQ, RDA, MBA)
6. Upcoming events (business and non-business) with potential audience/participant sizes so businesses may make a call on their staffing if they are in hospitality or retail.

Committee suggestions include making each point a short paragraph and a hyperlink and to start collecting email addresses now.

RECOMMENDATION

Mr G Norton/Cr J Evans

That staff continue with the development of a regular electronic newsletter.

3.2 PRESENTATION BY COMMITTEE MEMBER ROBERT ALFORD ON ISSUES SURROUNDING POWER SUPPLY

TRIM REFERENCE: 2022/1287

Speaking notes from presentation By Robert Alford.**Power History This region:**

Early power from NSW State Rail (Government).

Then Electricity Commission for Generation and Distribution (Government).

Early days of customer supply was from Local Councils. Distribution and Retail. Then to County Council for the area that include a number of Local Councils.

Some 20 years ago the system changed:

Market Driven.

Private Owned - Generation: Many Players

Major transmission now Transgrid - Private

Retail - Many players.

No connection to local communities as in the past via location management.

The system is market driven at all levels.

Problem re Climate Change and meeting the needs of the community.

Issue in the last 2 month with Generation and the market.

Action:

1. Bring the community (Business) Up to Date with the system
2. What are the risks for Business and the Community in Orange?
3. What are the risks to Communications in Orange - Business Operations.
4. Energy Workshop for the region (Orange and may be Cabonne)
5. Determine what is needed for Orange for the next 25 years.
6. Understand the plans for Transgrid for the Bathurst - Orange and Parkes areas.
7. Need for the Regional Energy Zone. Eg. REZ around Dubbo. REZ for Bathurst- Orange-Parkes.

RECOMMENDATION**Mr R Alford/Mr M Banks**

That the Committee acknowledge the presentation on issues surrounding power supply.

4 GENERAL REPORTS

4.1 SUPPORTING DATA FOR HOUSING DISCUSSION.

TRIM REFERENCE: 2022/1288

RECOMMENDATION	Mr G Norton/Cr T Greenhalgh
That the Committee acknowledge the report on supporting data for housing discussion.	

Cr McDonnell left the meeting at 8.55am.

THE MEETING CLOSED AT 9.07AM.



ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE

AGENDA

13 JULY 2022

Notice is hereby given, in accordance with the provisions of the Local Government Act 1993 that an **ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE MEETING of ORANGE CITY COUNCIL** will be held in the **COUNCIL CHAMBERS, CIVIC CENTRE, BYNG STREET, ORANGE** on **Wednesday, 13 July 2022** commencing at **8.00AM**.

David Waddell
CHIEF EXECUTIVE OFFICER

For apologies please contact Tony Boland on 6393 8250.

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**13 JULY 2022****AGENDA****EVACUATION PROCEDURE**

In the event of an emergency, the building may be evacuated. You will be required to vacate the building. The Committee Clerk will now identify the emergency muster point.

Under no circumstances is anyone permitted to re-enter the building until the all clear has been given and the area deemed safe by authorised personnel.

In the event of an evacuation, a member of Council staff will assist any member of the public with a disability to vacate the building.

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ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**13 JULY 2022**

1 INTRODUCTION**MEMBERS**

Cr T Mileto (Chairperson), Cr M McDonell, Cr T Greenhalgh, Cr J Evans, Cr F Kinghorne, Mr Alex King Elphick, Ms Terrie Sheargold, Mr Wayne Sunderland, Mr Garry Norton, Mr Michael Banks, Mr Robert Alford, Mr Craig Hort, Mrs Michelle Smith, Mr Anthony Doyle, Mr Tony Healey, Mr Russell Tym, Mr Timothy Hall, Ms Kath Logan, Mr Grant Gill, Mrs Catherine Lawrence, Mr Darryl Curran, Ms Julia Andrews, Director Corporate and Commercial Services, Manager Business Development, Business Project Officer

1.1 APOLOGIES AND LEAVE OF ABSENCE**1.2 ACKNOWLEDGEMENT OF COUNTRY**

I would like to acknowledge the Traditional Custodians of the land on which we meet today, the people of the Wiradjuri Nation. I pay my respects to Elders past and present, and extend those respects to Aboriginal Peoples of Orange and surrounds, and Aboriginal people here with us today.

1.3 DECLARATION OF PECUNIARY INTERESTS, SIGNIFICANT NON-PECUNIARY INTERESTS AND LESS THAN SIGNIFICANT NON-PECUNIARY INTERESTS

The provisions of Chapter 14 of the Local Government Act, 1993 (the Act) regulate the way in which Councillors and designated staff of Council conduct themselves to ensure that there is no conflict between their private interests and their public role.

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RECOMMENDATION

It is recommended that Committee Members now disclose any conflicts of interest in matters under consideration by the Economic Development Community Committee at this meeting.

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**13 JULY 2022**

2 PREVIOUS MINUTES**RECOMMENDATION**

That the Minutes of the Meeting of the Economic Development Community Committee held on 15 June 2022 (copies of which were circulated to all members) be and are hereby confirmed as a true and accurate records of the proceedings of the Economic Development Community Committee meeting held on 15 June 2022.

ATTACHMENTS

- 1 Minutes of the Meeting of the Economic Development Community Committee held on 15 June 2022

ORANGE CITY COUNCIL

MINUTES OF THE

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE

HELD IN COUNCIL CHAMBERS, CIVIC CENTRE, BYNG STREET, ORANGE

ON 15 JUNE 2022

COMMENCING AT 8.05AM

1 INTRODUCTION

ATTENDANCE

Cr T Mileto (Chairperson), Cr T Greenhalgh, Cr J Evans, Cr F Kinghorne, Mr Wayne Sunderland, Mr Michael Banks, Mr Robert Alford, Mr Craig Hort, Mrs Michelle Smith, Mr Anthony Doyle, Mr Tony Healey, Mr Russell Tym, Mr Timothy Hall, Ms Kath Logan, Mr Grant Gill, Mr Darryl Curran, Ms Julia Andrews, Director Corporate and Commercial Services, Manager Business Development, Business Project Officer

1.1 Apologies and Leave of Absence

RESOLVED	Cr J Evans/Cr T Greenhalgh
That the apologies be accepted from Cr McDonell, Mr Alex King Elphick, Mrs Catherine Lawrence, Mr Garry Norton and Ms Terrie Sheargold for the Economic Development Community Committee meeting on 15 June 2022.	

1.2 Acknowledgement of Country

The Chairperson conducted an Acknowledgement of Country.

1.3 Declaration of pecuniary interests, significant non-pecuniary interests and less than significant non-pecuniary interests

Nil.

MINUTES OF ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**15 JUNE 2022****2 GENERAL REPORTS****2.1 DRAFT CHARTER - ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**

TRIM REFERENCE: 2022/991

RECOMMENDATION**Cr F Kinghorne/Mr T Healey**

That the Economic Development Community Committee adopt the draft Charter subject to any changes recommended to the Chief Executive Officer.

2.2 CODE OF CONDUCT - ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE

TRIM REFERENCE: 2022/992

RECOMMENDATION**Cr T Greenhalgh/Mr R Alford**

That the Economic Development Community Committee acknowledge the requirements set by the Code of Conduct, and members commit to act in accordance with the Code of Conduct at all times while on Committee/Council business.

3 PRESENTATIONS**3.1 ECONOMIC DEVELOPMENT VERBAL UPDATE**

TRIM REFERENCE: 2022/1036

The Committee were updated on the following issues:

- Defence procurement
- Industrial land development
- Affordable housing
- Regional Economic Development Strategy
- FutureCity

THE MEETING CLOSED AT 9.30AM.

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**13 JULY 2022**

3 PRESENTATIONS**3.1 PROPOSED DIGITAL COMMUNICATION BETWEEN COUNCIL AND BUSINESS**

Presentation and discussion with the Committee on the production and distribution of an 'Electronically Distributed Mail' (EDM) newsletter to the local business community.

3.2 PRESENTATION BY COMMITTEE MEMBER ROBERT ALFORD ON ISSUES SURROUNDING POWER SUPPLY

Presentation by Committee Member Robert Alford on issues concerning power supply and other associated items. The purpose of the presentation is to alert the Committee to the issue and seek a future direction from the Committee.

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**13 JULY 2022**

4 GENERAL REPORTS**4.1 SUPPORTING DATA FOR HOUSING DISCUSSION.**

RECORD NUMBER: 2022/1288

AUTHOR: Tony Boland, Business Projects Officer

EXECUTIVE SUMMARY

At the Economic Development Community Committee meeting held 15 June 2022 there was considerable discussion concerning affordable housing and housing affordability. To assist the Committee in considering this issue further, this report provides the latest available housing data and supporting information to ensure any future directions are well informed are based on current data.

LINK TO DELIVERY/OPERATIONAL PLAN

The recommendation in this report relates to the Delivery/Operational Plan strategy “12.1 Prosper - Attract and grow strategic investment”.

FINANCIAL IMPLICATIONS

Nil.

POLICY AND GOVERNANCE IMPLICATIONS

Nil.

RECOMMENDATION

That the Committee acknowledge the report on supporting data for housing discussion.

FURTHER CONSIDERATIONS

Consideration has been given to the recommendation’s impact on Council’s service delivery; image and reputation; political; environmental; health and safety; employees; stakeholders and project management; and no further implications or risks have been identified.

SUPPORTING INFORMATION

During the last Committee meeting there were some discussions on housing affordability and affordable housing. While the two issues are somewhat different, they are related and served by the same data sets. This report is to ensure the Committee has the latest available data to hand when considering the matter.

The data and information being presented includes:

- Census data on housing (2016 v 2021)
- Air BnB data for Orange
- Update on median price
- Industry expert projections
- News story from local Air BnB service provider

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE

13 JULY 2022

4.1 Supporting data for housing discussion.

Census data on housing (2016 v 2021)

The 2021 Census of Population and Housing was released on 28 June 2022. Each Census provides data on tenure (ownership status) of the dwelling that people live in. The comparative data for the 2016 and 2021 Census are below.

G37 TENURE AND LANDLORD TYPE BY DWELLING STRUCTURE

Count of occupied private dwellings(a)

	2021						2016						Difference					
	Dwelling structure						Dwelling structure						Dwelling structure					
	Separate house	Semi-detached, row or terrace house, townhouse etc.	Flat or apartment	Other dwelling	Not stated	Total	Separate house	Semi-detached, row or terrace house, townhouse etc.	Flat or apartment	Other dwelling	Not stated	Total	Separate house	Semi-detached, row or terrace house, townhouse etc.	Flat or apartment	Other dwelling	Not stated	Total
Owned outright	4,634	269	58	15	5	4,983	4,205	226	60	13	5	4,521	429	43	-2	2	0	462
Owned with a mortgage(b)	5,285	114	41	6	7	5,454	4,633	97	35	3	13	4,774	652	17	6	3	-6	680
Rented(c):																		
Real estate agent	2,545	689	264	17	5	3,528	2,195	651	266	4	13	3,128	350	38	-2	13	-8	400
State housing authority	476	181	75	0	0	738	492	212	104	0	0	804	-16	-31	-29	0	0	-66
Community housing	71	78	28	0	0	176	27	37	13	0	11	96	44	41	15	0	-11	80
Person(d)	558	85	30	0	3	675	591	82	32	0	3	712	-33	3	-2	0	0	-37
Other landlord type(e)	77	11	9	11	10	114	60	3	6	4	5	80	17	8	3	7	5	34
Landlord type not stated	20	7	3	0	0	28	40	15	3	0	3	57	-20	-8	0	0	-3	-29
Total	3,749	1,054	416	28	21	5,269	3,409	1,004	416	8	40	4,880	340	50	0	20	-19	389
Other tenure type(f)	109	74	29	0	9	218	37	19	7	3	7	74	72	55	22	-3	2	144
Tenure type not stated	183	38	18	0	7	253	340	62	28	9	56	489	-157	-24	-10	-9	-49	-236
Total	13,966	1,556	557	54	51	16,183	12,629	1,405	547	34	125	14,735	1,337	151	10	20	-74	1,448

This table is based on place of enumeration.

- (a) Excludes 'Visitors only' and 'Other non-classifiable' households.
- (b) Includes dwellings being 'Purchased under a shared equity scheme'.
- (c) Excludes dwellings being 'Occupied rent-free'. In the 2016 Census, occupied rent-free was included as being rented.
- (d) Comprises dwellings being rented from a parent/other relative or other person.
- (e) Comprises dwellings being rented through a 'Owner/manager of a Residential park (including caravan parks and manufactured home estate
'Employer - Government (includes Defence Housing Australia)' and 'Employer - other employer'.
- (f) Includes dwellings being 'Occupied under a life tenure scheme' and 'Occupied rent-free'.

Please note that there are small random adjustments made to all cell values to protect the confidentiality of data. These adjustments may cause the sum of rows or columns to differ by small amounts from table totals.

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**13 JULY 2022****4.1 Supporting data for housing discussion.**

Points to note from the comparison between 2016 and 2021 are:

- There were 1,337 more houses occupied in Orange on 2021 Census night compared to 2016 – an average of 267.4 houses per year
- There were 66 less State housing authority dwellings in 2021 but 80 more community housing
- There was an average of 70 new rentals houses added per year, which is around 26% of new houses
- Vacant property data from the Census will not be available for some time (October 2022 to mid-2023)
- The average number of people per bedroom fell from 0.8 in 2016 to 0.7 in 2021 (not included in table).

Air BnB data for Orange

Air BnBs and other similar accommodation come under the Short-Term Rental Accommodation (STRA) banner. The NSW Department of Planning manage a register of STRA in Local Government Areas. It is compulsory for any accommodation covered by the STRA to make an application to be included on the register. Booking platforms are not permitted to allow a property to advertise on their platform without the property being registered on the STRA premises register. On this basis it is highly likely that all STRA eligible properties would be on the register, or they could not otherwise advertise.

Hosted short-term rental accommodation means short-term rental accommodation provided where the host resides on the premises during the provision of the accommodation. Non-hosted short-term rental accommodation means short-term rental accommodation provided where the host does not reside on the premises during the provision of the accommodation.

There are 82 hosted properties in the Orange LGA and 251 non-hosted. Consideration should be given to the following factors when discussing STRA:

- Suitability of hosted premises to be rented on a full-time basis. Hosted may mean a single room only.
- The price point at which a STRA would charge if reverted to a long-term rental. Many of these places would receive more than \$1500 per week.
- The right of people to run a business how they see fit providing it is legal.
- Anecdotally, some of the STRA are serving a critical function in providing accommodation for fly-in workers. In 2010 to 2013 (prior to Air BnB explosion) the companies engaging fly-in workers would hire long-term rentals and furnish them, further reducing housing options for those on lower incomes.

Update on median prices

The following data has been periodically collected from the www.realestate.com.au website. The data is based on sales or leases over the previous 12 months. This data set is

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE**13 JULY 2022**

4.1 Supporting data for housing discussion.

used as the NSW Government data set generally has a 6-9 month lag in the provision of data and is based on an area roughly equivalent to the Orange, Cabonne and Blayney combined Local Government Areas.

The data set for houses is longer than for units. The www.realestate.com.au website changed the way they present the data and no longer show historical data, so any historical information is only what we have recorded, often on a periodic basis.

Houses sales and rent data

	Feb-21	Mar-21	Apr-21	Jul-21	Sep-21	May-22	Jun-22	Past month	Past 12 months
Median									
Sales (\$'000)	\$486	\$486	\$509.50	\$535	\$557.50	\$655	\$684.50		764
Rent (\$/week)	\$400	\$400	\$410	\$440	\$450	\$480	\$500		887
2BR									
Sales (\$'000)	\$363	\$363	\$392	\$427.50	\$430	\$563	\$594	12	49
Rent (\$/week)	\$320	\$320	\$320	\$340	\$350	\$400	\$410	21	72
3BR									
Sales (\$'000)	\$415.50	\$415	\$429	\$460	\$492.50	\$588	\$623	61	33
Rent (\$/week)	\$380	\$380	\$390	\$400	\$425	\$460	\$470	105	479
4BR									
Sales (\$'000)	\$575	\$575	\$590	\$638	\$663.50	\$753	\$772.50	64	284
Rent (\$/week)	\$460	\$460	\$475	\$490	\$500	\$560	\$580	56	283

Unit sales and rent data

	May-22	Jun-22	Past month	Past 12 months
Median				
Sales (\$'000)	410	425		83
Rent (\$/week)	370	390		887
1BR				
Sales (\$'000)	123.75	NA	0	8
Rent (\$/week)	290	290	21	72
2BR				
Sales (\$'000)	392.5	410	61	33
Rent (\$/week)	355	370	105	479
3BR				
Sales (\$'000)	492.5	485	64	284
Rent (\$/week)	460	460	56	283

ATTACHMENTS

- 1 Propertyology Report - Rent Rises - Projections, IC22/18958
- 2 News Article - Airbnb kings of Orange say they have nothing to do with the housing crisis, IC22/18959

ECONOMIC DEVELOPMENT COMMUNITY COMMITTEE

13 JULY 2022

Attachment 1 Propertyology Report - Rent Rises - Projections

News article retrieved from <https://www.propertyology.com.au/59-locations-where-rents-will-rise-5000-in-2022/> on 6 July 2022. Council acknowledges the work is that of Propertyology and not Orange City Council. Orange City Council makes no representation on the accuracy of the information in this report but supplies the report as a source of information for the Community Committee to consider among other issues surrounding housing.

59 LOCATIONS WHERE RENTS WILL RISE \$5,000+ IN 2022

The price to rent a house could increase by as much as \$10,000 in parts of Australia this year. And the finish line for this sharp rising national rental trend is nowhere in sight.

In the 2022 calendar year, Propertyology is forecasting that 59 locations will produce an increase in the advertised price to rent a standard house by between \$5,000 and \$10,000.

In alphabetical order, they are Adelaide, Airlie Beach, Albany, **Albury**, Ballina, Batemans Bay, Bathurst, **Bendigo**, Bowral, **Brisbane**, Bundaberg, Burnie, **Busselton**, Cairns, Canberra, **Coffs Harbour**, **Dubbo**, Esperance, Geelong, Geraldton, Gladstone, Gold Coast, Gosford, Goulburn, Gympie, Hervey Bay, Kiama, Kempsey, Kingscliff, **Launceston**, Lismore, Lorne, **Mackay**, Maitland, Maryborough, Mount Barker, Mount Gambier, **Mornington Peninsula**, Mudgee, Newcastle, **Noosa**, Orange, Perth, Port Macquarie, **Rockhampton**, **Sunshine Coast**, Toowoomba, Torquay, **Townsville**, Traralgon, Wagga, **Wangaratta**, Warrnambool, Warragul, Warwick, Wodonga, Wollongong, Yamba and **Yeppoon**.

PAIN AHEAD

It's almost impossible for people to find acceptable rental accommodation in as many as **180 out of Australia's 200+ cities and towns**. Rental markets are as tight a mouse in a matchbox.

In every corner of this big country other than Sydney and Melbourne, the competition among tenants who were searching for rental accommodation over the last few years has already produced a big increase in the price of weekly rents.

Some of the biggest rental increases were in, but not limited to, Ballina NSW, **Busselton WA**, Cairns QLD, Gold Coast QLD, Mandurah WA, Moreton Bay (Brisbane north), **Orange NSW**, Port Macquarie NSW and Sunshine Coast QLD.



People move homes every year. Growing families, people pursuing a career progression, lifestyle upgraders, relationship splits, forced to move out because the landlord is selling... But insufficient rental supply has made it very stressful (if not impossible) for anyone trying to move now.

The pain caused by the dire shortage of rental accommodation in this country extends well beyond the finances and emotions of tenants.

Australian businesses are collectively breaking new records for jobs advertisements (currently more than 200,000 available jobs nationally). But attracting someone with relevant skills from out of town is not possible when there's nowhere for the job-taker to live.

It's all connected to insufficient rental supply and destructive regulations.

Melbourne and Sydney continue to be the paradoxical exceptions to the rental crisis norm. Both cities have maintained rental vacancy rates greater than the 2.5 percent equilibrium for 2 and 4 years, respectively.

But, with overseas migration now recommencing, Propertyology predicts that, by this time next year, the rental markets of Australia's two biggest cities will be approaching similar crisis levels to what the rest of Australia has been experiencing for the last few years.

SUPPLY, WE NEED MORE SUPPLY

Most of us have lived in a rented home at various stages of our lives.

At the 2016 Census count, 27 percent (or 2,561,302 dwellings) of the total properties in Australia were rented.

I've analysed every Census paper dating back over a century and the official data confirms that, for the last 60-years, a third of this country's total population has lived in rental accommodation [refer below chart].



Rental accommodation is **not something that will ever go out of fashion**.

Logic suggests the ratio of owner-occupied to rented properties will always hover around the current 2 to 1.

To maintain balance between annual growth in rental demand and available supply, the size of the nation's permanent rental pool needs to increase by circa 70,000 every year single year.



The fact that Australia has failed miserably at this over the last 5-consecutive years is the cause of today's rental crisis.

For perspective, the total national population increased by 1.5 million over the last 5-years so one would expect a significant increase in the total volume of dwellings advertised for rent over that period. Alas, it reduced from 86,683 in December 2016 to a piddly 57,558 in December 2021.

'Crisis' is not a strong enough word.

The numbers are significantly more horrifying when Sydney and Melbourne are excluded. The 15 million people who live in Australia's other six capital cities plus 200 regional cities are currently competing for only 16,896 dwellings, down from 61,980 dwellings advertised for rent in December 2016. Dire straits.

Insufficient rental supply creates intense competition among active tenants. Rents then rise. It is not rocket science.



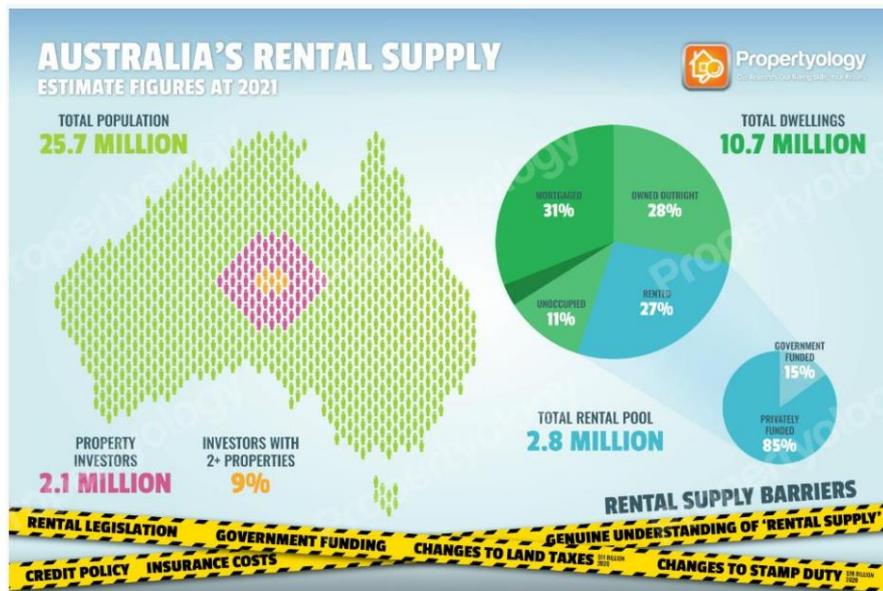
SUSTAINABLE SOLUTIONS

Unfortunately, as certain as today rolls into tomorrow, things will get much, much worse before they improve.

The actions of the very few organisations in a position to support the supply of much needed rental accommodation are making it worse.

To be crystal clear, there are only *two* sources of rental supply.

Australia's current rental pool is 15 percent government-funded (down from 26 percent in 1991), while the other 85 percent is privately-funded by 2.1 million everyday Aussie property investors.



The competing interests of government funds for new infrastructure, education, health care and welfare support have (understandably) taken precedent over government contributions for year-on-year funding of extra supply of rental dwellings.

Frankly, the allocation of taxpayer funds to housing really should only be for the genuine disadvantaged (social housing).

So that means that, with state and federal governments only adding 3,000 of the required 70,000 extra rental properties required across Australia each year, rental supply is almost entirely dependent upon discretionary funding from private citizens... To be specific, private citizens who are financially disciplined, sufficiently motivated, and having enough confidence to take acceptable risks in pursuit of their eventual financial independence.

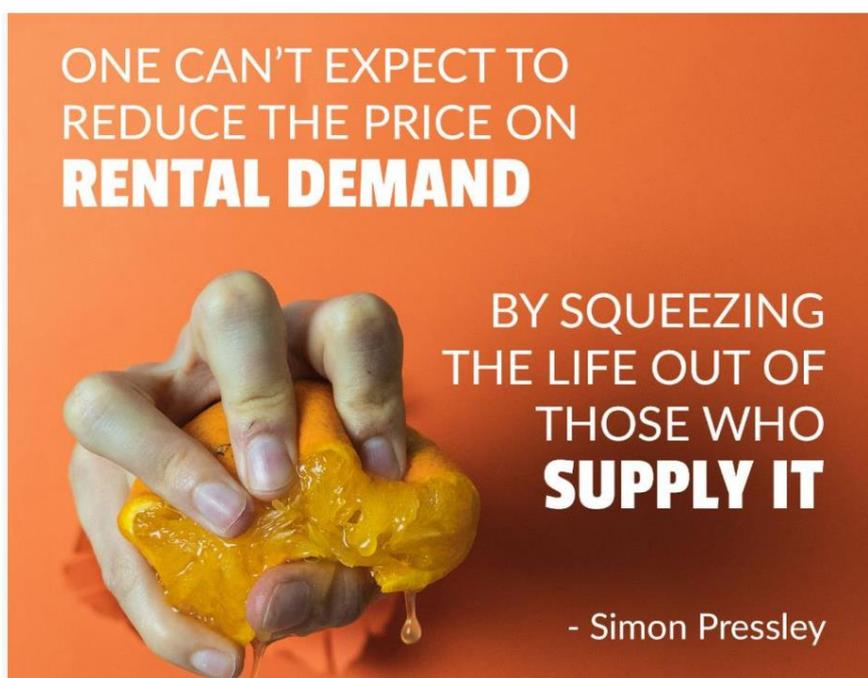
Since 2015, those citizens with the capacity to fund more rental supply have been on the receiving end of a federal government department (APRA) enforcing grossly overzealous credit policies along with hitting investors with an interest rate loading. The federal government also significantly diluted tax deductions (depreciation).

Instead of supporting the discretionary action to invest, government decisions have diminished participation rates and the minimum annual quota of 70,000 extra rental dwellings consistently was not met.



Property managers all over Australia continually say that lots of landlords sold out of the market because they had a gut-full of new legislation introduced by state governments, stripping away fundamental controls from asset owners.

Layer upon layer of tighter restrictions with regards to who can rent an asset, **how the asset can be used**, and what an owner can / can't do when setting the rental price has caused many former landlords to sell, thereby reducing the rental pool. The chart above proves cause-and-effect of today's booming rent prices.



State government restrictions on the investor's income-earning capacity (rent) is discouraging enough, but expenses keep rising. Land tax (state government), council rates (local government), and insurance costs have increased. Trade labour and materials to maintain a rental property aren't getting any cheaper, and there's interest rate expense which will inevitably rise.

There's only so much juice in the orange.

Lockdowns may be finally over, but a seriously **over regulated real estate system** means that anyone looking to move homes in Australia is now locked-out.

Those who think the solution for supplying no less than 70,000 extra rental dwellings every year is to keep squeezing the orange are only exacerbating an enormous problem. They are not part of the solution.

Rental properties don't grow on trees.

Make no mistake, rents will rise significantly over these next few years.

Only a hypocrite would think that restricting an investor's capacity and confidence will encourage them to participate.

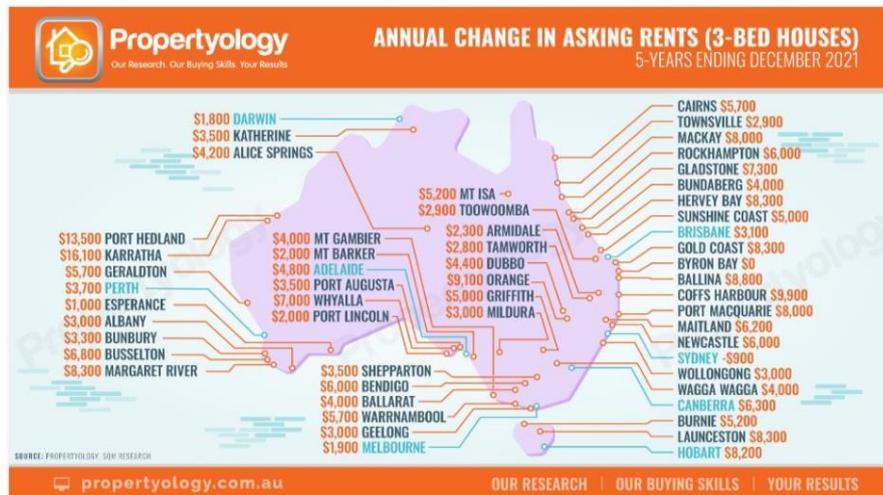
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Attachment 1 Propertyology Report - Rent Rises - Projections

Propertyology are national buyer’s agents and Australia’s premier property market analyst. Every capital city and every non-capital city, Propertyology analyse fundamentals in every market, every day. We use this valuable research to help everyday Aussies to invest in strategically-chosen locations (literally) all over Australia. Like to know more? [Contact us here.](#)

Here’s how we combine our thought-leading research with Propertyology’s award-winning buyer’s agency services.



ABOUT PROPERTYOLOGY HEAD OF RESEARCH AND REIA HALL OF FAMER, SIMON PRESSLEY

Simon Pressley is a 3-time Australian Buyer’s Agent of the Year, an REIA Hall of Fame Inductee, a tertiary-qualified Property Investment Advisor, and a graduate of Australian Institute of Company Directors. His reputation as a thought-leading property market analyst is unparalleled, including correctly forecasting Hobart’s boom, Sydney-Melbourne’s last downturn, numerous regional star performers, and Australia coming out of COVID with the biggest boom in more than 15-years.

[More by Propertyology Head of Research and REIA Hall of Famer, Simon Pressley](#)

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Attachment 2 News Article - Airbnb kings of Orange say they have nothing to do with the housing crisis

News article retrieved from <https://www.orangenewsexaminer.com.au/post/airbnb-kings-of-orange-say-they-have-nothing-to-do-with-the-housing-crisis-here-s-why> on 5 July 2022. Council acknowledges the work is that of Peter Holmes and not Orange City Council. Orange City Council makes no representation on the accuracy of the information in this report but supplies the report as a source of information for the Community Committee to consider among other issues surrounding housing.

Airbnb kings of Orange say they have nothing to do with the housing crisis. Here's why

July 4, 2022



A listing on Airbnb.

By Peter Holmes

In the debate about the lack of affordable housing in Orange for those on low and fixed incomes, there is a lot of blame being tossed about.

Targets include low interest rates and loose lending by banks driving up prices, land-banking by developers choking supply, tree changers with their Sydney and Canberra money, insufficient investment in social housing by state governments over the long-term, councils kicking the can down the road, and short-term rentals via companies such as Airbnb and Stayz.

There are hundreds of such tourist-friendly properties - known as Short-Term Rental Accommodation (STRA) - available in Orange and surrounds, and they've become a bit of a bogeyman around town and on social media forums.

The logic goes that if all those houses currently let for STRA were in the long-term rental pool, the situation in the city would not be as dire.

The Orange News Examiner spoke to Aaron Taylor, the general manager of BNB Made Easy. The company was founded four years ago by Tim Mortimer who, like Taylor, was a former school teacher.

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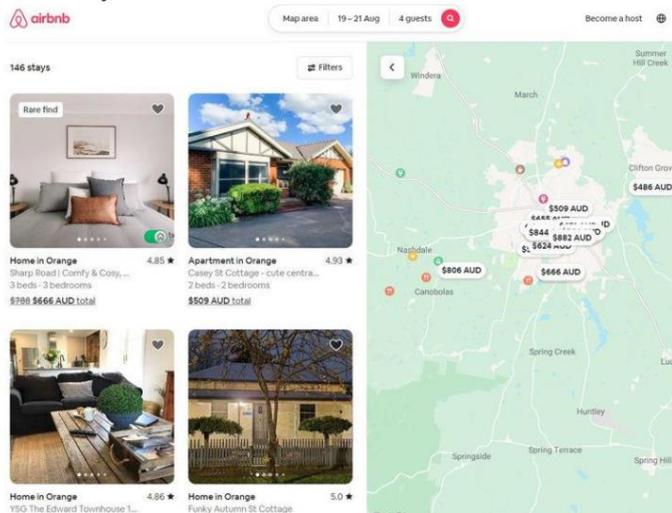
The bedroom of a property listed on Airbnb.

Blaming STRAs was “a very simple, under-considered solution to a problem that won’t actually fix it”, Taylor said.

BNB Made Easy leases out around 100 STRA properties in and around Orange, and a handful in Bathurst, on behalf of homeowners.

Taylor is aware of the angst, anger and anxiety around the lack of affordable housing in Orange, but argues that BNB Made Easy is not part of the problem and, in fact, actually drives a lot of economic activity in the city.

Most of the properties the company represents are either high-end out of town farm stays, or in the golden ring of high-end older homes around Summer Street, with their leadlight windows, pressed metal ceilings, entertainer’s kitchens and pristine gardens and courtyards.



A screenshot showing the number of listings in Orange on Airbnb on August 19-21.

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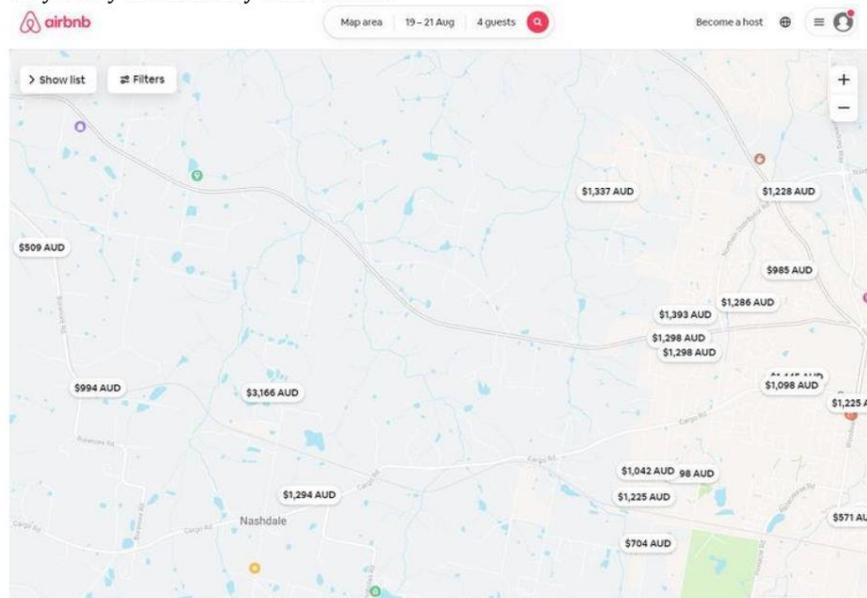
He described the properties as being at “the top end of the market” and said even if they had been leased to long-term renters, they would be well outside the price range of average households, let alone those on lower and fixed incomes.

“Even though we’ve had a population increase of eight percent over the last four years, we haven’t had a corresponding increase in household incomes,” Taylor said.

“Our clients wouldn’t be able to get the long-term renters into their homes, nor are they actually interested in doing that.”

This point is crucial, Taylor believes, as it puts to bed any notion that properties listed with BNB Made Easy are pushing up long-term rents by lowering the number of available properties.

“Tim founded the business when he was working in a school; he saw a lot of parents from Sydney whose kids were in boarding school here, so they had homes here that they’d stay in when they came to visit.”



A screenshot showing Airbnb listings in the western part of Orange and beyond.

He said that in the vast majority of cases the houses would sit empty for much of the year.

“They were never available to the long-term rental market in the first place.”

As the demand for STRA grew, Taylor said some of these homeowners chose to open the properties up to bookings on platforms such as Airbnb.

“There is a difference between investors looking for a long-term renter, and investors looking for short-term.

“What we’re finding is that those investing to use the property as a short-term rental want flexibility to accommodate their friends and family, so the short-term rental

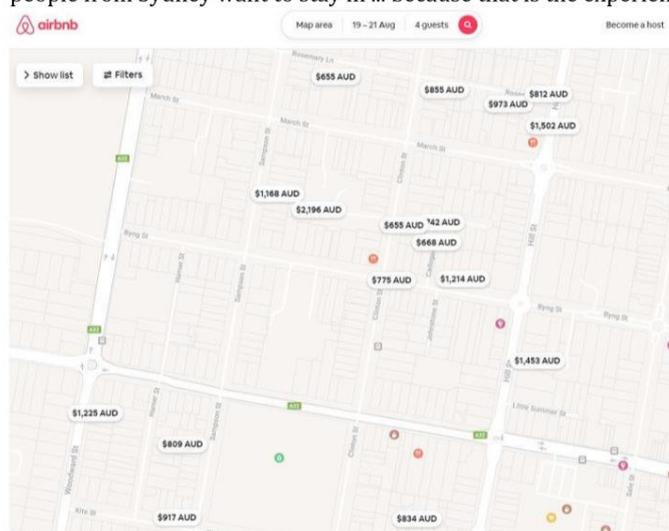
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market suits them. They have complete access to the calendar and can block any days [they want].”

Taylor said that although the company represents “a couple” of suburban houses in North Orange, “the vast majority are either rural properties - farm stays - or luxury CBD homes, the old ones in Hill Street and Lords Place. Old school, classic Orange homes that people from Sydney want to stay in ... because that is the experience they’re after”.



More concentrated listings around the CBD.

He said the few suburban homes that might otherwise go to middle income earners as long-term rentals are used by workers such as miners, health care professionals and lawyers who sometimes stay for months at a time.

“They’ll utilise one of those lower market homes for a longer period,” Taylor said, “but to me that means they’re not taking up a proper longer term rental [that would then sit empty for periods of time].”

Council papers from last month show that staff have been asked by councillors to: “Prepare a local Short Term Rental Accommodation policy with a view to providing appropriate DCP [Development Control Plan] provisions and incentives for STRA operators to maintain or provide some level of longer term rental stock.”

It is possible that council may try to cut the number of days homeowners can use a property for short-term rentals, but it’s not clear that there is much stomach for this. We will see in the coming weeks and months.

Councillor Jeff Whitton told *The Orange News Examiner* that people who bought investment properties should be able to use them for whatever they want.

Declaring an interest in owning an investment property used for STRA, Whitton said that council should instead look at the idea of becoming a landlord.

“One of the things we might need to look at, if you really want to take control and have some say over what housing stock is in your community - from a rental point of view

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and a low income point of view - is do we get into using our land to build dwellings specifically for that purpose, so that you've got houses that are available for rental?" Whitton asked.

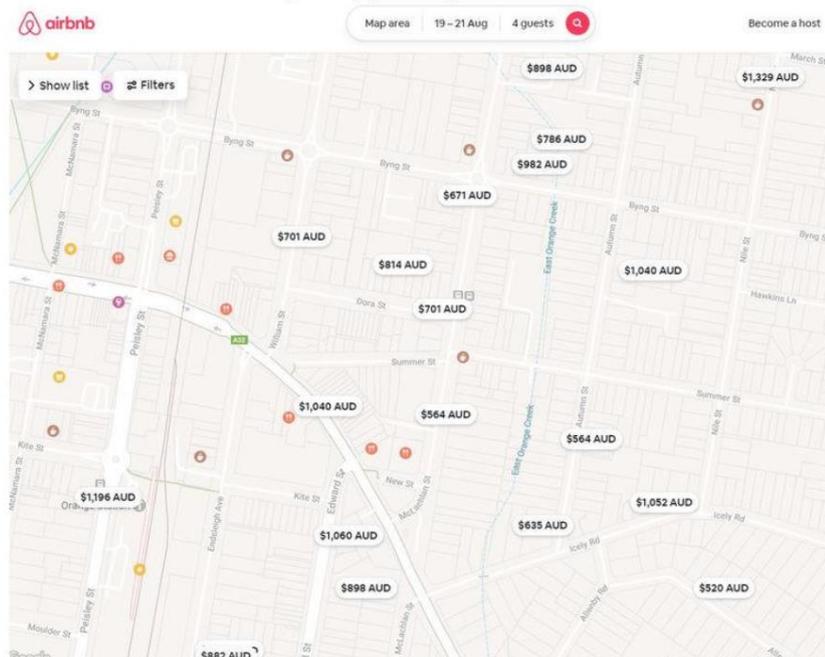
Former mayor Reg Kidd told *The Orange News Examiner* that this idea had been floated once before.

Taylor said that some tourists were looking for "more Covid-friendly stays if they are staying for two or three nights" and this included concerns about ventilated air conditioning in some commercial properties.

A search for accommodation in Orange on Airbnb for a weekend in August for four adults yielded 146 results.

Most of these properties were at the higher end.

However search for two adults and not four, and more modest properties - including suburban villas - start to appear. The type of properties that a few short years ago might have been leased reasonably cheaply to long-term renters.



Airbnb map shows East Orange becoming popular for short-term stays.

Taylor said the company employed dozens of cleaners - who were often able to work around school drop-offs and pickups - and retired handy people, who enjoyed the small jobs required at the properties.

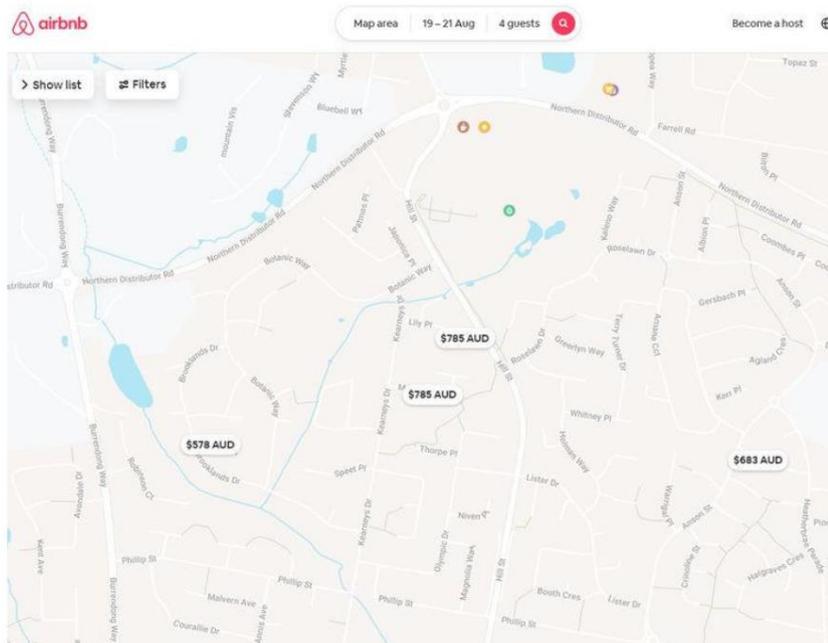
He said a cap on the number of nights would "drive the economy back a bit".

Orange City Council and a local marketing company had worked hard to raise Orange's profile and "on weekends we are 100 percent booked out, so it's working", Taylor said.

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A scarcity of more suburban properties north of the CBD.

Asked if the STRA boom had caused consternation among hotel and motel operators, he said: “No, because we’re a different market. First, we have a two-night minimum stay and in holiday periods it’s extended to three.”

He said “we all work together”, sold inventory via different booking platforms, and that a recent forum brought STRA businesses, hotels and motels together “to talk about tourism and what trends we’re seeing”.

While hotels and motels were more likely to cater for workers and people who just wanted a room for a night, STRA properties attracted groups of couples and families who wanted to spread out, drink local wines and utilise the kitchens.