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Housing Shortage Study

Kangaroo Island Development Board

July 2004

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Housing Shortage Study

Prepared for
Kangaroo Island Development Board

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Executive Summary

In December 2002 the Department of Human Services – South Australian Housing Trust prepared a discussion paper, "The State Housing Plan," which was designed to provide direction and identify strategies to increase the supply of low cost, quality housing stock, to improve service delivery methods and to encourage industry development in many regional areas.

The shortage of suitable housing is particularly evident in Kangaroo Island where the region is restructuring its labour force and economy to embrace value adding industries such as tourism, which is now challenging agriculture as the major contributor to the economy.

Despite this encouraging economic growth there exist shortages of accommodation and / or support options for both medium and long term housing options.

The influx of seasonal and permanent workers into Kangaroo Island has an impact on regional, social and physical infrastructure as well as reducing the availability of affordable housing. With respect to housing, many stakeholders including Local Government, employers, tourism industry operators and real estate agents, have indicated a shortage of:

1. Accommodation for seasonal workers such as workers hostels
2. Rental accommodation for year long seasonal workers and permanent workers' accommodation, and
3. Reasonable quality dwellings for purchase for workers who have a long term career aspirations on Kangaroo Island

1.1 Key Issues

The labour force on Kangaroo Island is increasing. Traditional industries such as agriculture and fishing are still strong contributors. However the role of tourism and manufacturing is rising and tourism in particular places emphasis on housing requirements for both seasonal and long term accommodation for residents and workers. Generally the average income on Kangaroo Island is low and this contributes to the limitations on private housing investment. The Kangaroo Island Economic Development Board has recognised that information and strategy development on housing issues is required in order to capitalise on the potential economic growth.

Providing adequate infrastructure for economic growth is also a consideration in tackling accommodation shortages and changes in demographics.

The key issues for accommodation on the Island include:

Supply

- A shortage of a range of inexpensive and suitably located short term rental accommodation throughout Kangaroo Island
- A shortage in supply of detached dwellings for rental and sale on Kangaroo Island
- Shortage of alternative dwellings for older people, which means larger family homes are not becoming available to buy or rent
- A lack of industries which desire to be involved in the provision of accommodation
- The reluctance of some landlords and property managers to rent dwellings for short term periods

Financial

- Lack of appropriate sources of affordable funds to support the development of caravan park, workers' or/and tourist hostels
- Potential difficulties for private investors to take over the government role in securing funding for short term accommodation

Government

- A need broader local community discussion and understanding regarding forms/types of housing considered to be appropriate
- Need for clarification of roles and responsibilities and funding in response to accommodation needs at all levels of government
- Determination of which State Government agency is best suited to take a lead role with respect to accommodation

Impacts

The shortage of accommodation adversely impacts on:

- Regional economic growth by restricting the ability of industries to attract and retain labour
- Individuals actively seeking work within the region who are effective "locked-out" of the labour market by the inadequate supply of accommodation
- The ability of local businesses and existing social infrastructure to capitalise on the demand for their products and services.

1.2 Identified Priorities - Short Term Accommodation

The highest priority is the need for inexpensive seasonal accommodation within the region, followed by the need to increase the stock of appropriate short term rental accommodation. Short term rental faces the following problems:

- Many landlords on the Island are reluctant to rent properties to more marginalised sectors of the community due to fear of the property being severely damaged by tenants.
- The relatively low incomes of many persons seeking rental accommodation may impede investment in rental properties that cannot expect high rental returns.
- There is a perception within the community that greater financial risks are associated with lower rental incomes.
- There is a perception within the community that short term rental provides lower capital growth.

1.3 Recommendations

A series of recommendation for the priority areas of short term accommodation and for long term accommodation development are provided in Section 5 of this report. These include actions for government and local authorities that can encourage growth of the housing sector over time.

2.0 Introduction

2.1 Background

Many factors may have an impact on an individual's ability and desire to seek, find and retain employment. The availability of work in a region due to prevailing economic conditions plays a significant role.

Access to accommodation can be an important influence on labour force participation. The location of affordable accommodation may affect opportunities for work, opportunities to travel to work and job seeking activities.

Accommodation has a critical role to play in shaping the vitality, or capital, of the local society, in promoting better governance and citizenship and in contributing to efficient local economic adjustment to external changes.

The term accommodation includes a range of housing: seasonal accommodation, caravan parks, backpackers hostel, residential flats, semi-detached dwellings and detached dwellings. These forms of accommodation can host a range of workers, both permanent and seasonal, who choose to purchase or rent accommodation.

Accordingly, the Kangaroo Island Development Board engaged Maunsell Australia Pty Ltd to formulate a collaborative response to these and other emerging accommodation shortages.

It is anticipated that the findings of this report will play a significant part in the deliberations and responses to regional accommodation shortage issues by Kangaroo Island Development Board.

2.2 Aim of Report

The objectives of the report are to:

- Identify the main issues and problems with respect to accommodation in regional Kangaroo Island
- Identify and evaluate potential models and solutions which could be applied to alleviating these issues, with particular reference to the roles of government at all levels
- Recommend strategies and initiatives to facilitate an increase in the supply of accommodation

2.3 Methodology

The findings and recommendations contained in this report are based on the following approach.

- Project Initiation meetings
- Desktop review
- Consultation with Kangaroo Island Development Board
- Employer written surveys

- Employer telephone surveys
- Consultation with Real Estate Agents, key stakeholders and focus groups
- Evaluate responses and prepare recommendations
- Prepare and finalise report.

3.0 Kangaroo Island Overview

Kangaroo Island is the third largest Island off the coast of Australia, situated 16km from the tip of South Australia's Fleurieu Peninsula.

Dudley and Kingscote District Councils have been amalgamated to form the Kangaroo Island Council that covers the whole of the Island. Kingscote is the principal town with Penneshaw, Parndana and American River being other key towns.

Kangaroo Island's economy has been traditionally based on agricultural products and fishing. However, the expansion of the tourism industry means that tourism is now challenging agriculture as the major contributor to the economy.

The sheep industry, and in particular the production of wool, dominates the agriculture of Kangaroo Island.

Kangaroo Island's wildlife, along with the national and conservation parks and marine reserves, form the basis of the tourism industry.

3.1 Demographic Overview

3.1.1 People

A significant factor in the attraction of private sector residential investment is population growth.

As at 30 June 2003, Kangaroo Island's population was estimated to be 4,409 people. This represents 0.3% of the South Australian population and 1.1% of regional South Australia's population. After an initial decrease in the early 1990's the population has grown steadily. At around 1500 people, Kingscote has 34% of Kangaroo Island's population.

Table 1 Population Summary As At 2001

	Estimated Population	Change from period	
Year	**No.**	**No.**	**%**
1991	4,134	-	-
1996	4,228	94	2.3
1997	4,301	73	1.7
1998	4,370	69	1.6
1999	4,385	15	0.3
2000	4,409	24	0.5
2001	4,384	25	0.6

Source: ABS Cat No 2901. Refer to Appendix B

3.1.2 Age Distribution

Kangaroo Island has a lower proportion of people aged 15-34, and a higher proportion of people aged 35-44 than that of regional South Australia and the total State.

Table 2 Age Distribution As At 2001

	KI	KI	Regional SA	KI Comparisons	SA	KI Comparisons
Age group (years)	**No**	**%**	**%**	**%**	**%**	**%**
0-4	309	7.0	6.9	+0.1	6.3	+ 0.7
5-14	670	15.3	15.4	- 0.1	13.4	+ 1.9
15-19	216	4.9	6.5	- 1.6	6.7	- 1.8
20-24	176	4.0	5.1	- 0.9	6.7	- 2.7
25-34	520	11.9	13.1	- 1.2	14.3	- 2.4
35-44	745	17.0	15.6	+1.4	15.3	+ 1.7
45-54	704	16.1	13.5	+ 2.6	13.7	+ 2.4
55-64	473	10.8	9.8	+1.0	9.3	+ 1.5
65+	572	13.0	14.1	+ 0.9	14.4	+ 1.6
Total	**4385**	**100.0**	**100.0**		**100.0**	
Median age		**39.1**	**36.9**		**36.7**	

Source: ABS Cat No's 2901-2001, Table No. 1996-B04 & 2001-B03. Refer to Appendix B

3.1.3 Labour Force

The labour force consists of all employed people and all unemployed people looking for work. From a low of around 1,850 in 1995 the number of people in Kangaroo Island's labour force steadily increased to 2,369 during the June quarter 2000. In 2001 there were 170 people seeking employment out of a total labour force of 2099, representing an unemployment rate of 8.09%. [1]

The agriculture, forestry and fishing sector was the largest employment sector, employing some 486 people or 25% of the employed labour force. The retail trade sector employed 12.1% of employed people and accommodation, cafes and restaurants sector employed 10.4%. Over half of the employed labour force on Kangaroo Island work in these three sectors. [2]

[1] Sources: Government of South Australia, Regional Profiles, Kangaroo island, p. 4, refer to Appendix C; ABS Census of Catalogue no. 2001, population and Housing table B25, refer to Appendix B

[2] Source: ABS Census of Catalogue no. 2001, population and Housing table B26, refer to Appendix B

3.2 Economic Overview

3.2.1 Agriculture

The value of agriculture production on Kangaroo Island in 1998-2001 was estimated to be $35.2 million, down from $39.7 million the previous year. The sheep industry accounted for 64.5% of the total value of agriculture production on Kangaroo Island in 1998-2000, with wool alone contributing $15.9 million.[3]

3.2.2 Tourism

Tourism is a major contributor to Kangaroo Island's economy. Its reputation and its appeal as a wildlife and nature tourism experience contribute to Kangaroo Island being the most internationally recognised South Australian tourist region outside Adelaide.

Visitor statistics from the South Australian Tourism Commission indicate that in the financial year 2001 – 2002 there were 76,000 overnight domestic visitors to Kangaroo Island, 26,000 from interstate and 50,000 from South Australia. In addition there were 28,000 international visitors to Kangaroo Island.

Expenditure by domestic overnight visitors on Kangaroo Island is estimated to have been $28 million in 2002.

Kangaroo Island has a range of accommodation to offer including hotels, motels, farm stays, bed and breakfast establishments, hostel, house and camping grounds.

As at June 2002, there were six hotels/motels/guest houses/serviced apartments with 15 or more rooms or units, providing 167 guest rooms in total. Employment in these establishments averaged 102 during 2002.

The tourism industry also employs people in a range of areas such as smaller accommodation establishments, food and beverage industries, transport services and recreation and culture.[4]

3.2.3 Fishing Industry

Kangaroo Island is located in the northern rock lobster fishery zone. In 2002 the value of the catch of rock lobster in this zone was $29.8 million. About 20 boats from Kangaroo Island take part in this.

Prominent aquaculture sectors are abalone, oysters and marron. In particular, there has been a significant investment in infrastructure from the marron sector. In 2002 the production of marron from aquaculture in South Australia was valued at $500,000.[5]

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[3] Source: ABS Agricultural Census

[4] Source: South Australian Tourism Commission

[5] Source: Department of Primary Industries and Resource - Fisheries

3.2.4 Building and Construction

Residential building approvals were steady. A total of 88 dwellings were approved at a value of $9.4 million between, 1999 and 2001.

The highest value of approvals was in 1996 when the value of non-residential approvals peaked at $11.4 million. [6]

3.2.5 Manufacturing

There are eight manufacturing locations on Kangaroo Island. These locations have a combined turnover of $5.0 million and employ 33 people. The majority are involved in the manufacture of food and beverages.[7]

3.2.6 Income

The average individual annual taxable income on Kangaroo Island in 1999 was $25,588. This is lower than both the State average of $31,964 and that of regional South Australia at $29,816.[8]

At the 1996 Census, 4.8% of the population on Kangaroo Island aged 15 years and over reported their gross income per week as being $800 or more, while 44.1% reported their income as being less than $200 per week. In comparison the proportions for South Australia were 7.9% and 41.1% respectively.

Table 3 Income by Age Group As At 2001

Age Group	$0 to $10,399	$10,400 to $20,799	$20,800 to $31,199	$31,200 to $41,599	$41,600 to $51,999	$52,000
15 –24	93	50	54	17	5	0
24 – 34	55	71	83	51	16	15
35 – 44	61	99	116	75	28	21
45 – 54	56	78	62	57	42	35
55 +	20	31	23	22	5	5
Total	285	329	345	222	96	76

Source: ABS Cat No 2001 table B13A and B13B. Refer to Appendix B

[6] Source: Regional Profile, Kangaroo Island

[7] Source: Department for Business, Manufacturing and Trade

[8] Source: Regional Profiles, Kangaroo island, p. 4, refer to Appendix C

3.3 Infrastructure

3.3.1 General

Economic activity relies on access to communications and information technology and efficient transportation links within and outside the region.

Kangaroo Island has one airport located at Cygnet River approximately 13km south of Kingscote. The airport is used for passenger services and freight.

Kangaroo Island Sealink currently operates two combined freight/ferry vessels between the mainland and the Island providing most of the freight service and carrying 70% of all passengers to the Island.

There are approximately 1,600km of roads on the Island. The major roads between Kingscote, Penneshaw, American River and Parndana are sealed. The South Coast and West Coast Highways now provide a sealed ring route to access national and conservation parks.

Surface water resources comprise the majority of water resources on Kangaroo Island. The major source of reticulated water is the Middle River Reservoir, which provides water for Kingscote and Parndana. A desalination plant provides water supplies for Penneshaw, with the balance of the region deriving their water supply from dams and rainwater tanks.

Infrastructure issues noted in discussion with key stakeholders are presented below.

3.3.2 Power Supply

A single wire earth return line system powers much of the Island. The supply of three phase power is limited. An improved power supply network is needed to facilitate further economic development. Improved capacity and reliability of power could also benefit the wider community.

A range of choices exists in relation to future power solutions. Options include mainland and/or Island based power generation. Planning should also consider the costs and the lead times necessary to construct, extend or upgrade infrastructure to meet growing demand.
Given the difficulty and expense of providing electricity from traditional sources to the area, technological improvements are likely to result in renewable energy sources (such as solar and wind power) being considered and developed where viable.

3.3.3 Water Supply and Waste Disposal

The provision of adequate water supply, sewer and wastewater disposal systems for towns and settlements is an important priority.

Reticulated water supplies currently service the towns of Kingscote, Parndana, Emu Bay and Penneshaw. Upgrading of the water main to Emu Bay would support further residential development in the town and would provide more water for other uses.

American River is not serviced by a reticulated supply system. Further development of the town is constrained by poor water quality. The disposal of effluent at American River is also a significant concern. A major upgrade to the effluent disposal system is required to provide for growth and development of the town and to encourage investment and aquaculture and tourism industries.

3.3.4 Transport

Road infrastructure is critically important to the Island. The only road access to the Island from the mainland is via the ferry terminal at Cape Jervis.

It is critical that easy access to the ferry terminal at Penneshaw is maintained for freight and passenger movement and that the port and terminal facilities meet future needs given the importance of this entrance to the Island.

Kingscote airport facilitates regular services operating between Adelaide and the Island and caters primarily for the commuter and tourist trade, as well as some minor time-sensitive freight movements.

The community, tourists and business operatives use the major ring route on the Island, which is now a sealed road.

4.0 Kangaroo Island Housing Data

The principal community based facilities are located within the towns on the eastern end of the Island. Kingscote is the principal town. It has a range of services and facilities, including business, retail, medical and emergency services. Both Penneshaw and American River are important tourist attractions. Parndana is a service centre for the surrounding farming community.

4.1 Housing Market

Trends in house and land prices have played a significant role in the development of the Island over the last five years. The relative affordability of land and housing, the location and views has attracted a large number of investors. Diminishing supplies of land and the establishment of more appropriate infrastructure within the community has increased land and house prices.

There is a limited supply of land available for development within the community and the potential for residential development will become further constrained and all but disappear within the next five years.

The following table details median house prices and number of sales in Kangaroo Island Region for the period June 2002 to June 2003.

Table 4 Median Sale prices as at June 2003

Quarter	Median Price	Number Sold
June 2002	$100,000	23
March 2003	$135,000	32
June 2003	$140,000	21

Source: Real Estate Institute of South Australia Kangaroo Island Profile. Refer to Appendix C

The median price for vacant land having an area less than 2000m^2 was $ 30,000 to $40,000 within the previous financial year, based on 16 probable market transactions.

In consultation with Kangaroo Island Council and local real estate agents, there are pockets of undeveloped vacant residential zone land. As of June 2004, there were 1185 vacant blocks of land on Kangaroo Island. In 2003, Kangaroo Island Council registered 55 approvals for land development where the proposed developments were to be dwellings; as of June 2004, there were 21 approvals, giving a total of 76 approvals.[9] Further investigations by Kangaroo Island Development Board are warranted to determine the future release of blocks onto the market.

[9] Source: Kangaroo Island Council; refer Appendix E.

Trends in the current housing stock on the Island are summarised in the following tables providing a comparison between 1996 and 2001.

Table 5 Comparision of Dwellings :1996 to 2001 (Excludes Un-Occupied)

Dwelling Type	Fully Owned		Being Purchased		Public Rental		Private Rental		Other		Total		Change from 1996	
	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001	1996	2001	%	
Separate House	554	748	254	335	45	34	258	277	28	131	1139	1525	+34	+386
Semi-detached row or terrace house, townhouse	0	0	0	3	0	10	29	14	0	0	32	27	-15	-5
Flat, unit or apartment	3	3	0	3	6	7	35	33	0	14	44	60	+36	+16
Other dwelling	6	27	3	6	0	0	7	16	3	20	19	69	263	+50
Not stated	3	3	3	0	0	0	3	0	3	6	12	9	-25%	-3
Total	**566**	**781**	**260**	**347**	**51**	**51**	**332**	**340**	**34**	**171**	**1246**	**1690**	**+36%**	**+44.4**

Source: ABS Cat No’s 2901 & 2001 tables 1996-B14 and 2001-B18 & B19. Refer to Appendix B

Table 6 Comparison of Dwellings and Persons in Dwellings (Excludes Un-Occupied)

Dwelling Type	Dwelling		Person		Change from 1996	
	1996	2001	1996	2001	Dwelling	Person
Separate House	1139	1,525	3,041	3,747	+34%	+23%
Semi-detached, row or terrace house, townhouse etc	32	27	60	41	-15%	+31%
Flat, unit or apartment	44	60	64	99	+36%	+55%
Other Dwelling	19	69	38	159	+263%	+318%
Not Stated	12	9	18	15	-25%	-17%
Total	**1,246**	**1,690**	**3,221**	**4,051**	**+35%**	**+26%**

Source: ABS Cat No’s 2901 & 2001 tables 1996-B15 and 2001-B18. Refer to Appendix B

Table Notes:

1. Other dwellings include: Caravans, cabins, houseboats, tents, houses or flats attached to offices or shops.
2. Un-Occupied: Houses that were un-occupied at the time of census collection have been excluded from the analysis.
3. Basis of number of persons in dwellings apparently changed between 1996 to 2001.

Table 5 indicates that that overall housing stock market has increased by 444 dwellings (36%) between 1996 and 2001. ‘Fully-owned’ and ‘being-purchased’ housing stock has increased by 302 dwellings (36%). The public rental housing stock has remained unchanged while the private rental housing stock has increased by 8 dwellings (2.5%).

The only decrease in the housing stock market has been the semi-detached, row terrace houses by 5 dwellings (15%) and also the Not Stated (where the landlord type was not stated) by 3 dwellings (25%).

It is evident from the above tables that there has been an increase in Non-Conventional Dwellings (Other Dwellings) which would seem to indicate that low level income earners who are finding it difficult to obtain return are looking for alternative accommodation.

4.2 Surveys and Focus Groups

In addition to focus group discussions with key stakeholders on the Island, telephone surveys of employers and real estate agents were conducted to identify housing need and housing availability on Kangaroo Island. A list of stakeholders interviewed and business and real estate agents surveyed by telephone is provided in Appendix A.

In addition to telephone surveys, a written questionnaire was issued to a random sample of 20 businesses on Kangaroo Island, which yielded 12 responses, a response rate of 60%. A list of businesses that received the written survey, along with the complete survey results and copies of survey responses, are provided in Appendix E.

To gain insight into housing needs and supply, in January 2003 the Kangaroo Island Development Board sought feedback via letter from a range of business and community institutions on Kangaroo Island. In cases where there was a weak response rate to the Kangaroo Island Development Board's request for information, the Board's questions were re-issued in survey format in order to generate a more comprehensive response. Surveys were issued to:

- real estate agents (6 questionnaires issued, 2 responses received, response rate of 30%)
- religious institutions (5 questions issued, 2 responses received, response rate of 40%)
- Council (1 request issued, response received)
- Accommodation providers (12 questionnaires issued, 4 responses received, response rate of 30%)

Survey results and copies of survey responses are provided in Appendix E.

Where information was provided to the Kangaroo Island Development Board's January 2003 request for information, responses were collated.
Respondents included:

- financial institutions
- Department of Veterans' Affairs
- Centrelink
- South Australian Housing Trust
- South Australian Community Housing Association

Collated results are provided in Appendix D.

4.2.1 Employer Telephone Survey

A number of housing shortage issues were established through an employer telephone survey. The major issue identified was the lack of available accommodation, whether that be short or long term. Over 60% of respondents stated that there was not enough housing stock on the Island. This is a strong indication that there is a requirement for more housing stock.

4.2.2 Real Estate Agent Telephone Survey

In addition to the employer survey a range of real estate agents were also surveyed. The following responses were received.

- A majority of real estate agents rated standard family homes (i.e. detached, three bedroom, mid-price range) as being either in moderate or serious shortage
- Executive/luxury style homes were not generally regarded as being in short supply although some gaps do exist
- Shortages of units, flats and semi-detached dwellings were strongly emphasised

4.2.3 Employer Written Survey

The extent and nature of the housing shortage and its impact on business development were surveyed in a written survey of Kangaroo Island employers.

The survey found that 25% of respondents indicated a lack of accommodation to house seasonal workers on the Island, while 25% of respondents indicated a lack of accommodation to house permanent workers. Respondents listed separate, semi-detached housing and flats or units as the most needed style of accommodation for permanent workers, while flats and units were deemed to be most in need for the seasonal workforce.

The survey results also indicated that housing availability and affordability have a negative impact on attracting and retaining staff. In attracting potential employees, 25% of respondents indicated that housing availability was an issue for applicants, while 17% of respondents indicated that housing affordability was an issue. The survey indicated that over the last five years, there have been ten instances where housing had been the critical factor in preventing an applicant accepting employment with a Kangaroo Island business. Over the last five years, ten staff members or applicants were lost due to housing problems that could not be resolved. These statistics reflect a relatively limited sample size and response rate; nevertheless they indicate that housing issues have had a negative impact on employment patterns and business growth on Kangaroo Island.[10]

4.3 Issues Arising out of Surveys

Survey responses indicate the following issues that contribute to accommodation shortages on the Island.

4.3.1 Dependent on tourism cycles

Despite Kangaroo Island's relatively isolated location, the Island's housing market is affected quite considerably by the yearly tourism cycle, a feature of the Island's housing markets generally. This feature can cause considerable uncertainty for those who depend on accommodation on the Island.

4.3.2 Mismatch of available housing stocks to the Island's needs

During meetings with key focus groups it became apparent that the current composition of privately owned housing stock with its emphasis on larger, detached dwellings on large plots of land, was not wholly appropriate to the needs of many of the Island's more disadvantaged householders. The particular characteristics of the Island's housing market stock put large segments out of reach of the disadvantaged residents on the Island.

One further issue relating to the mismatch of housing provision to the community needs was the lack of supported accommodation, such as shelters for the homeless and victims of domestic violence.

4.3.3 Slow Turnover of Housing Stock

The slow turnover of both private and public housing stock means that it can be difficult for income support recipient groups to find long-term rental accommodation on the Island. Discussions with key focus groups indicated that, for those people currently excluded from the housing market, suitable rental accommodation rarely becomes available. This has the effect of forcing people to rely on sub-standard housing stock for accommodation, reducing that section of the community's overall level of well-being.

[10] Maunsell Australia Business Survey, refer Appendix E

The problem is further compounded by the fact that many landlords on the Island are hesitant to rent properties to more marginalised sectors of the community due to the fear that properties may be damaged by tenants.

4.3.4 Gaps in housing accommodation

Discussion with key focus groups on the Island indicates that one of the major challenges to providing adequate services to low level income tenants is the shortage of housing that is available. Eighty percent of the overall housing market on the Island is privately owned. The number of rental properties has fallen in recent years.

4.3.5 Income Support Recipients

Fieldwork discussions with key focus groups revealed that there is a set of housing issues that is unique to the Island. The most significant issue concerns the difficulty that the income supported population can face in gaining access to private rental accommodation. This complexity is often overlooked by local private real estate agents and landlords when making tenancy-related decisions.

4.3.6 People Affected

The groups of people indicated as being most adversely affected by the housing shortage are:

- New residents and new employees moving into the region
- Seasonal and casual workers
- Medium income workers
- Persons on income support

5.0 Recommendations

The following recommendations are in-line with the requirements of the South Australian State Housing Plan – Discussion Paper dated 21 December 2002.

5.1 Short Term Accommodation

The first opportunity to increase the supply of short-term accommodation in selected areas is to expand existing caravan parks by way of introducing cabins. In addition of workers' hostels or similar low cost accommodation should also be given.

Local Government and Government Agencies could potentially provide resources to interested parties through existing programs and structures to facilitate planning and construction of short-term accommodation.

Examples of such initiatives that could be explored are:

- Promote peppercorn leases to builders for land for the construction of dwellings
- Provide limited land at or below cost, targeted to caravan park operators for short term accommodation
- Where necessary amend planning policies, and increase community understanding of issues in respect to promoting temporary accommodation
- Assist the State Government to provide investors with a business feasibility planning template and information package which will assist investors to assess accommodation development opportunities

In consultation with Kangaroo Island Council and local real estate agents, it has been suggested that there are pockets of undeveloped vacant residential zone land. Further investigations by Kangaroo Island Development Board are warranted to determine their likely release onto the market.

5.2 Permanent Accommodation

With respect to permanent accommodation, a number of solutions could be explored.

- Conduct regular forums with State Government Agencies, the Real Estate Institute, employers and accommodation providers with the objectives of facilitating discussions and local solutions and maintaining an accommodation database which would inform Federal and State Government decision making
- Support the State Government to provide investors with a business/feasibility planning template and information package which will assist investors to assess accommodation development opportunities
- Provide land to builders for the construction of dwellings, in conjunction with a deferred payment plan for the land (eg. When land and home are sold)
- Subsidise infrastructure (roads and physical services)
- Review development plan provisions to promote medium density and temporary accommodation development and the responsible supply of allotments
- In areas of demand for accommodation for the aged, facilitate the development of housing for the aged and thereby increase the supply of housing for purchase or rental

- Raise accommodation issues with financial institutions, which may be sympathetic to regional communities, with the objective of ensuring that investors have access to funds on the same conditions as their mainland counter parts

Appendix A Key Stakeholders Interviewed

Appendix B ABS Data

Appendix C Kangaroo Island Regional Profile Data

Appendix D Kangaroo Island Development Board Data

Appendix E Maunsell Australia Data