



**REGIONAL
AUSTRALIA
INSTITUTE**

RAI SUBMISSION

THE WORSENING RENTAL CRISIS IN AUSTRALIA

AUGUST 2023

ABOUT THE REGIONAL AUSTRALIA INSTITUTE

The RAI is as Australia's only independent think-tank dedicated to research and activation to inform regional policy and investment.

Established in 2011, for more than a decade the Institute has been researching topics relevant to the prosperity and success of regional Australia including migration and population; regional employment; jobs and skills; population; housing and health.

The RAI exists so that decision-makers at all levels of government, industry and community have the information they need to ensure the best outcomes for regional Australia.

'Regional' is defined by the RAI as all areas of Australia outside the major capital cities of Sydney, Melbourne, Brisbane, Perth, Adelaide, and Canberra.

Our purpose is to empower regions to thrive.

REGIONALISATION AMBITION 2032

Based on more than a decade of research into the most important issues influencing the regions, in 2022 RAI launched the [Regionalisation Ambition 2032 - A Framework to Rebalance the Nation](#).

Designed for all levels of government, industry and the community, the Ambition seeks more balanced growth across our nation's regional communities and capital cities. The Framework underpinning the Ambition outlines cross-cutting themes and five pillars each of which are interlinked and equally important. Across each pillar the RAI has outlined key targets, actions and benefits that will contribute to building prosperous regional communities, and a stronger Australia.

In the liveability pillar of the Framework, the Ambition sets a target to address current housing shortages which is to increase rental vacancy rates in regional areas to above 3% and to ensure annual building approvals keep pace with population growth.

OUR MEMBERS

The RAI has an extensive network of businesses and organisations through its membership:

The [Regional Australia Council](#): (a cohort of leading corporate entities with a footprint in and a commitment to regional Australia) and the [Regional Activators Alliance](#): (more than 30 local government organisations, RDAs, and economic development associations). Both membership groups were involved in the design and launch of the Regionalisation Ambition and support the housing targets.

The RAI has also established the [National Alliance for Regionalisation](#), an alliance of 34 of Australia's leading peak industry bodies who similarly support the targets and aspirations of the RAI's Regionalisation Ambition 2032.

These networks provide the RAI with a unique, 'lived' understanding and experience of the issues impacting regional Australia.

INTERGOVERNMENTAL SHARED INQUIRY PROGRAM

The Commonwealth Government is a partner in the RAI's Intergovernmental Shared Inquiry Program - a research partnership model led by the RAI and which also includes state and territory governments and a number of Australian universities.

Since its inception in 2018, an annual research agenda is agreed between the RAI and the participating governments to produce high-quality and robust research into one or more priority policy areas. Past research has focussed on [regional housing](#); [the impacts of natural disasters on regional communities](#); [building resilience](#); and regional workforce challenges.

Policy workshops are held throughout the year to discuss findings and their implications for policy.

This submission references the [Building the Good Life: Foundations of Regional Housing](#) report which was part of the 2020-2021 Shared Inquiry Program.



DISCLAIMER AND COPYRIGHT

This submission draws on RAI research and findings from its work across Australia. It's intended to inform the Care and Support Taskforce as it pertains to regional Australia. No responsibility is accepted by RAI Limited, its Board or its funders for the accuracy of the advice provided or for the quality of advice or decisions made by others based on the information presented in this publication.

CONTACTS AND FURTHER INFORMATION

Simone Pregellio – Policy Director

P. 0418 981470

E. simone.pregello@regionalaustralia.org.au

Kim Houghton - Chief Economist

P. 02 6260 3733

E. kim.houghton@regionalaustralia.org.au

Further information can be found at www.regionalaustralia.org.au

ATTN: COMMITTEE SECRETARIAT, SENATE STANDING COMMITTEES ON COMMUNITY AFFAIRS

We thank the Senate Standing Committees on Community Affairs for the opportunity to respond to the inquiry into the Worsening Rental Crisis in Australia.

Regional housing has been a key focus of the RAI's research over the past 12 years given the fundamental role it plays in the liveability, growth, and prosperity of the over 9 million regional Australians. Last year, the RAI released a series of reports on housing as part of our work for the Intergovernmental Shared Inquiry Program 2021-2022. Findings of this research combined with our engagement with regional communities underpin our response to this submission.

Our response includes case studies of regional communities challenged by a thin rental market.

The RAI recommends to the Committee the following considerations to address the rental crisis in regional Australia:

- **Rental market behaviour differs between metro and regional Australia** and therefore one-size-fits-all policy approaches based on metro data often fail or are not as successful for regional Australia. Solutions need to address regional Australia's unique challenges and rental market behaviours.
- **The two biggest issues impacting the worsening rental crisis in regional Australia are the lack of housing availability and a lack of diversification of housing stock** which has not kept up with societal changes in demand over the last 10 years. There is a significant undersupply of more affordable one-to-two-bedroom units in regional Australia.
- **Lack of affordability is driving regional dwellers further inland**¹ and there is now an emergence of high levels of rental stress in inland regional markets who have not seen this before.²
- **Funding and land development challenges in regional Australia** mean new housing solutions that can work in metro areas, don't work as effectively in regional areas. RAI has identified five regional housing markets, with two of these constrained not by lack of land but by lack of funding for headworks infrastructure and lack of finance for would-be builders.
- **US and Nordic Europe housing markets use a range of policy levers to address similar conditions** in their regional areas including offering a mix of subsidies, direct loans, and direct investment. The US has a current focus on investing in affordable rental housing for the elderly to relieve pressure on the overall market. Nordic European nations focus on the active role of local authorities in planning, brokering deals and direct investment.
- **Government actions that can help reduce rents or limit rent rises should focus on overall housing availability** – prioritising the provision of affordable housing in development schedules, making it easier for investment in 'build to rent' initiatives, matching the provision of infrastructure projects in rural and regional centres to the supply of additional land for housing and targeting housing initiatives to rural and regional centres.

¹ RAI, Regional Movers Index March 2023

² Shelter NSW/RAI, NSW Regional Housing Need Report 2023

The research team and I are available to discuss any of the points made in this submission.

Kind regards,

Liz Ritchie
CEO
Regional Australia Institute

RENTAL MARKET BEHAVIOUR IN REGIONAL AUSTRALIA

Addressing regional Australia's experience of renters and people seeking rental housing, rising rents and rental affordability in regions and factors impacting supply and demand of affordable rentals.

There are meaningful differences in the behaviours of rental markets of metro and regional areas.

Understanding these differences should help policy makers identify which levers will work best in addressing the worsening rental crisis in the regions.

The first, overall consideration that should be made is the fact that Australia's rural, regional, and remote markets are 'thin markets', where economies of *scale* cannot deliver good outcomes for communities. In contrast, most of our smaller communities are adept at looking for and finding economies of *scope* – where they stitch together and can lead place-based solutions that are best able to service local needs.

Applying one-size-fits-all solutions based on the experience of metro or 'thick markets' has failed regional Australia in the past.

The market differences

31% of total Australian rental dwellings are in regional Australia with the remaining 69% of rental stock in capital cities³.

There can often be a great variance between the capital cities of each state and territory versus regional areas when it comes to the proportion of dwellings that are rented versus owned. In NSW for example, in the City of Sydney over half of households renting in the last census (53.7%⁴) period, while the area of Greater Sydney had 32% of dwellings rented and 23% of regional NSW.

Regional areas lag metro areas in having a critical mix of housing stock available, particularly more affordable one- and two-bedroom unit dwellings. The private investment market traditionally focuses on major capitals and does not see regional areas as investment opportunities beyond mining booms and troughs.

Rental markets in metro and regional areas often respond differently to economic challenges.

For example, throughout the pandemic metro markets saw vacancies increase due to slowing international migration and a large exodus of city dwellers to regional locations. Meanwhile, regional Australia's rental vacancies, which had been lower than metro areas for nearly two years already leading into the pandemic, were further reduced.

Today, the city and regional rental markets are responding differently again with metro cities absorbing the bulk of re-started international migration putting huge downward pressure on vacancy rates. Less than 20% of international migrants settle in the regions, with nearly 60% settling in Sydney and Melbourne and the rest in other capitals.

Regional Australia's rental vacancy rate currently averages 1.5% and is tracking slightly higher than metro availability at 1.1% but is still well below the balanced market benchmark of 3%.

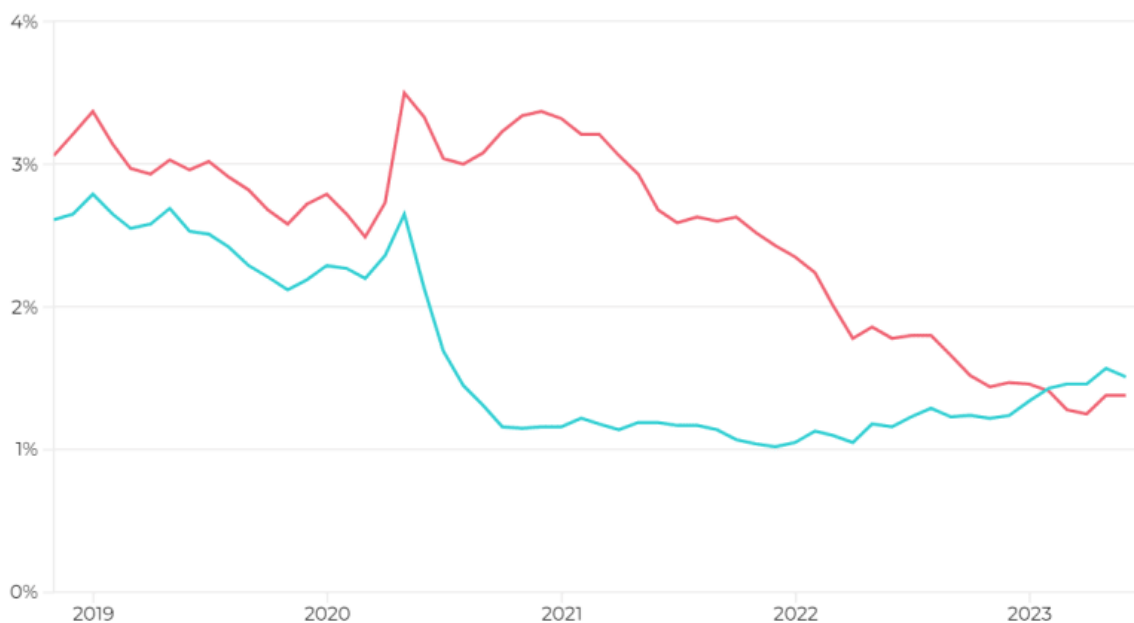
³ ABS 2021 Census data

⁴ [Profile ID, City of Sydney](#)

Rental vacancy rates

National, all dwellings

Capital Cities Regional Areas



Source: Proptrack



In terms of rental costs, rents in cities are soaring year on year as metro areas look to absorb international migration playing catch up. Over the last 12 months, the median rent of houses in metro areas has been more than two times the increase in regional areas which experienced a 2.1% year to date change. In terms of units, rents in regional areas have risen 3.2% trailing a combined capital city rise of 8.6%. This combined capital city rise includes the experiences Perth, Brisbane, Melbourne, and Sydney with growth over 15% year on year.⁵

Further looking into place specific data, shows the difference in the rental experiences across the country. In Sydney, unit rents have increased 18.8% year on year. Compare this to Broken Hill-Dubbo where over the same period, there has been no net rental growth (housing rents are up 3.4% but unit rentals are down 5.7%). But while there has been only relatively slow growth in rental price growth, rental accommodation is extremely hard to secure with rental vacancies in Broken Hill-Dubbo sitting at just 1.1%⁶.

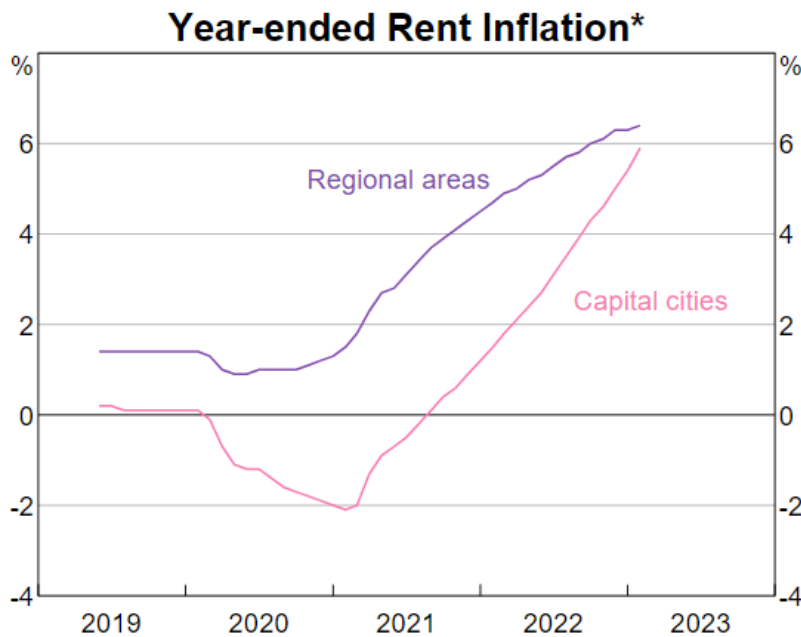
These differences have an implication for policy design. Rental freezes and rent stabilisation may have an impact on increasing affordability in large metro cities where underlying stock is generally high, diverse, and fluid however may not have the same desired impact on affordability in regional areas like Broken Hill-Dubbo where underlying supply is low and constrained through lack of new investment.

Looking at medium term trends, regional rental inflation has remained in positive territory on a relatively steady upward climb, while the metro experience over the same period has seen prices plunge into negative inflation territory during the pandemic and then spiked to the highs that they are experiencing today. Where this has ended up is with regional areas reaching a higher level of rental inflation over the three years

⁵ CoreLogic, July 2023

⁶ SQM Research July 2023

compared to a metro area it hasn't experienced the severity of the inflation fluctuations experienced by metro areas⁷.



* Total private dwellings, excluding rent assistance. Stratified by SA3 and property type.

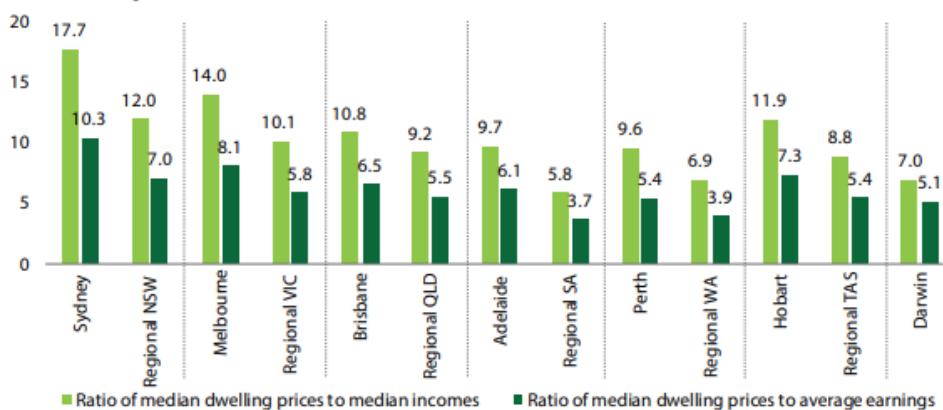
Source: ABS

<https://www.rba.gov.au/publications/bulletin/2023/jun/new-insights-into-the-rental-market.html>

Despite the increasing rental costs in regional Australia in recent years, renting in regional Australia is still more affordable and accessible than for city dwellers. The chart ‘Estimated Regional vs Capital Affordability, June 2021’ shows the ratio of median dwelling prices to median incomes and the ratio of median dwelling prices to average earnings. For capital-city dwellers moving to regional areas and taking their jobs with them, these price-to-income ratios increase, further adding to the attractiveness of regional areas for city dwellers and introducing a greater upward pressure on rents.

Estimated Regional vs Capital Affordability, June 2021 – Price to income and price to earnings ratios

Source: ABS, CoreLogic, RAI



^RRBA New Insights into the Rental Market June 2023

Understanding characteristics of Australian housing market key to rental crisis

In 2021-2022 as part the RAI's Intergovernmental Shared Inquiry Program, the RAI and the University of South Australia conducted a multi-stage project into regional housing. Using key statistical data over the twenty years from 2000 to 2020, researchers found six clusters of typical housing markets, five of which are predominately rural and regional markets.



Clusters 1 – 4 typically have a low proportion of renters, with Cluster 5 having a moderate proportion of renters and Cluster 6 a high proportion of renters. Clusters 1 and 2 have low development activity, Clusters 3-5 a moderate level of development activity and Cluster 6 a high level of development activity.

Clusters 3 – 6 have a history of low vacancy rates while Clusters 1 and 2 have a history of high vacancy rates.

The differences between the characteristics of each group and between the drivers of each of these markets **emphasises the importance of 'placed-based' responses to housing challenges.** The importance of matching responses to markets was supported by an extensive literature review of published works on regional Australia and international responses in Scandinavia, the US, Canada, and the UK which confirmed that the five regional housing markets are distinctive not only in relation to capital cities but each other – with many marked by a significant risk of market failure.

Given the difference in rental market behaviours, one-sized-fits all approaches based on averaged data that skews towards metro needs is unlikely to drive the same results for regional Australia.

POLICY CONSIDERATIONS

- To address the rental crisis in regions, policies need to allow for placed-based decision making focussed on addressing local challenges. The differing make-up and behaviours of metro and regional rental markets means that there is unlikely an 'average Australian rental experience' that can be addressed effectively with singular policy levers.

SUPPLY AND A LACK OF DIVERSIFICATION UNDERPINNING THE REGIONAL RENTAL CRISIS

Addressing factors impacting supply and demand of affordable rentals in regional Australia.

While regional housing market pressures in recent years have been partly driven by cyclical and macroeconomic factors (largely stemming from the pandemic) **they are underscored by a shortage of regional housing.**

Regional housing has not kept pace with population growth. Regional Australia's population grew by an average of 76,500 people per annum in the decade to 2020. The number of homes approved for construction declined in five out of these 10 years.

Supply has generally only been meaningfully boosted when Federal Governments have offered major housing stimulus.

Structural barriers to home building and the provision of mixed dwelling types in the regions are the key drivers of the long-term shortfall in housing and therefore a worsening rental crisis. Regional Australia is currently suffering from a lack of more affordable one- and two-bedroom unit dwellings. These types of dwellings are in strong demand from older downsizers, young professionals, and communities looking to attract essential workers. A [2021 study](#) RAI conducted with the Western Queensland Alliance of Councils on Housing Solutions found that nearly half of the demand across the 22 member councils was for semi-detached, townhouses, units, and apartments.

Case studies – housing's role in attracting and retaining professionals in Shepparton

Committee of Greater Shepparton's Community Connector Program has supported more than 500 professionals to relocate to Greater Shepparton since 2021. Almost half are from elsewhere in Australia and the balance are from overseas.

More than 90% would prefer a townhouse or apartment in the CBD and close to work. Only 3% indicated they would like a free-standing house in a new estate. The Committee describes this trend as 'switch to the same' – the same access to low maintenance apartments and townhouses in the CBD, access to private education, access to urban centre and CBD. In short, the only aspects they are looking to change is access to work, that is a walk or much shorter commute, access to the natural environment (which is why they don't want a backyard) and access to 'life' ... sports and recreational activity, school, retail etc.

Housing shortages exist in the high-growth regions where barriers to home building are more traditional – strong demand running up against supply, with supply slow to respond due to issues bringing shovel-read land to market and getting the right mix of new housing. The key issue to be addressed here is the well-known one of the speed and ease of new development.

But different barriers exist in smaller regions where population growth has been minimal or negative. Activity here has usually stalled because of the smaller scale of these markets and local households face constrained access to housing finance. Banks are less likely to lend to prospective builders and buyers in inactive or stalled markets – perpetuating their crisis. The key issue here to address is the constrained access to finance.

Across regional Australia, rental listings have been declining for a prolonged period, even prior to the pandemic – for at least 18 months leading into the end of December 2021. Rental stress has been more prevalent than mortgage stress over this period.

The pandemic amplified this situation and with more regional people staying in place, few homes are being listed for rent and demand for this limited stock has risen. This has resulted in pushing the most vulnerable, low-income earners who don't qualify for or can't access public housing and who rent privately into housing stress. This was evidenced in recent research conducted by RAI and Shelter NSW into 96 regional LGAs using a Housing Need Index. This research that found that when comparing the 2021 Index with 2023 data the largest changes in total housing need scores were among more western LGAs, some registering rental stress for the first time.⁸

Nationally, Australia is playing catch up on meeting the needs of social and affordable housing with all states facing a current deficit and wait lists for affordable housing now stretching up to 10 years. There are currently 220,000 people waiting for social housing nationally and approximately 80% of people on very low income are paying more than 30% of their income on rent which officially classifies them experiencing 'rental stress'⁹

Some communities are finding that local rental stress, homelessness and the need for community and social housing are new phenomena and therefore these communities are likely to require further assistance in meeting the need with capacity building.

Case study – 146 residents of Southern Inland NSW share their experience

Residents from the RDASI region voiced their concerns over the inadequate supply and lack of suitable rental properties, with over 70% of survey respondents who had experienced challenges when applying for rental properties waiting more than 4 months, 10% waiting up to 2 years and over 11% waiting up to 3 years, to secure a property. Common thoughts regarding supply issues highlight an increase in stock being leased via the short-term rental market, and properties owned by foreign investors remaining empty. Large companies and projects attracting high numbers of out of region workers, and city dwellers relocating to the country are also considered to induce considerable strain on stock that was once available to residents.

Source: Rural Development Australia – Southern Inland

A booming labour market is putting further pressure on an already stressed rental market

The regional labour market continues to hit record job vacancies, hitting 91,000 in May 2023. Advertised job vacancies in regions are growing at three times the rate of metro areas, with unemployment levels tracking lower than metro areas for more than two years.¹⁰

Rental vacancies in regional Australia are therefore becoming an increasing impediment to both filling jobs and realising economic growth at the same time. This coincides with the levels of relocations from cities to regions being at record highs. The past two census periods have recorded significant net city to regional migration flows, and the RAI's Regional Movers Index shows that these flows are still more than 16% higher than they were pre-pandemic, despite coming off record highs. RAI research shows that one in five city-dwellers want to move to the regions, with the biggest growth among millennials and their young families¹¹.

Case study – Western Downs

Deloitte Access Economics completed a Skills Gap Analysis of the Western Downs region in August 2021. In 2020, 20% of the jobs in the Western Downs region is filled by skilled workers outside of the region and this is forecast to increase to 28% in 2030. One of the key barriers to attracting and retaining workers in the region is

⁸ Shelter NSW, NSW Regional Housing Need Report 2023

⁹ AHURI 2023, 'What is the difference between social and affordable housing and why do they matter.'

¹⁰ Regional Australia Institute, Regional Jobs 2022: The Big Skills Challenge

¹¹ Regional Australia Institute, Move to More 2023

the reduced access to affordable housing as rental vacancies have tightened, making it more difficult for workers to find a suitable home. Western Downs Regional Council has created a \$1 million Housing and Land Incentive designed to encourage residents and developers with a vision to construct units or subdivide land to bring their project to reality.

Case study – Shepparton

The housing shortage is seeing the local hospital renting at least 50-60 houses, taking up multiple rooms at local serviced apartments and is still trying to finance and build housing to meet demand. The Committee believe they are missing out on health specialists because can't provide accommodation or can provide accommodation but not the preferred option. For example, Shepparton has mature age medical specialists house sharing because individual apartments are not available.

Business in private and public sector are paying above the market to fund accommodation costs and/or travel costs. Businesses are recruiting people who work remote because they cannot be brought in without accommodation, with the hope of them relocating when accommodation becomes available. The latter is not conducive to families dealing with schools, sports and other social commitments and means Shepparton loses the economic and social impact.

POLICY CONSIDERATIONS

- Supply and housing mix diversity need to be addressed in regional Australia to meet the current and future rental needs of regional areas. This could mean incentivising and supporting regional communities with the development of affordable one- and two-bedroom apartments that could also help support current record labour vacancies.
- More community and social housing in regional Australia will increase rental accessibility and affordability.

IMPACT OF GOVERNMENT PROGRAMS ON THE RENTAL SECTOR

Addressing the impact of government programs on the rental sector.

The RAI's [Building the Good Life: Foundations of Regional Housing May 2022](#) report discusses domestic policies – in particular policy neglect around rural and regional Australian housing which has had a significant influence over regional economies. One-size-fits-all policy approaches have resulted in housing issues worsening over time for regional Australia. In many instances, policies that are effective in one part of regional Australia, offer no benefit in other regions.

The National Rental Assistance Scheme is one such example. It has had a limited impact in many parts of regional Australia due to a lack of local understanding about how the program operates, a limited number of regional providers, the prioritisation of metro areas where needs were considered more acute and a limited investment pool.

Other programs such as the Commonwealth State Housing Agreement (1945-2009), the National Affordable Housing Agreement and the National Housing Homeless Agreement (NHHA) have been the catalysts for a number of other housing interventions however results have varied. For example, while each of the states and territories adopted housing strategies under the NHHA, receiving federal funding to address housing and homelessness, the focus on housing in rural and regional areas varies across these strategies.

THE INTERNATIONAL EXPERIENCE

Addressing international experience of policies that effectively support renters.

The RAI's [Building the Good Life: Foundations of Regional Housing May 2022](#) report highlights some key learnings taken from Nordic Europe and the USA.

In Nordic Europe (namely Norway, Sweden, Denmark, and Finland), many rural housing markets resemble those in rural Australia which are 'frozen', meaning the price of existing property is often below the cost of construction which discourages new building and freezes investment and financing. When finance is available, lenders take a conservative valuation of new construction, forcing the borrower to save more to provide a much higher loan deposit, and slowing down the replenishment of stock.

Across the region, Nordic nations have sought to address this by taking more direct action with some offering a mix of subsidies, direct loans, and loan guarantees to support investment. Local authorities play an active role through reactive and proactive planning, helping to broker deals and developments, direct housing investment and indirect financial support.

In the US, government programs and assistance for rural housing is largely supported by the Federal Government. Over the past 60 years, the most important government intervention in rural housing markets has been those supported by the US Department of Agriculture which has offered substantial assistance to rural housing by Australian standards.

Most recently, many of their loans have been for the construction of homes for older people to rent as this type of development is generally more acceptable to communities than low-income housing. Other areas of focus include rental assistance and interest subsidies made to borrowers, guaranteed loans for rental housing, self-help housing for not-for-profits looking to subdivide land for mutual self-help construction, loans for developing building sites and housing preservation grants.

Other learnings from the USA include that locally-driven housing planning and development models – those which bring together key stakeholders across the local building industry, business, community, and

government – have some potential to redress local housing market challenges, but their impact may be limited by the actions and policies of central governments.

Subsidy programs for investment in rural housing may generate positive outcomes, but they need to be of some considerable scale to provide a complete solution.

POLICY CONSIDERATIONS

- Government interventions such as subsidies, direct loans, and loan guarantees to support investment should be considered as part of increasing accessibility to rental stock availability in the regions.

Case study: the rental crisis in Temora NSW

The vacancy rate in Temora is currently 0.5% up from last year's 0.29%.

There are several contributing factors to current population in Temora including more younger people staying in town due to there being more jobs and apprenticeships, an ageing population, more households consisting of couples without children and more single person households than the Australian average. In terms of the housing mix, flats and apartments make up just 0.5% compared with the Australian average of 14.2%. The proportion of homes owned outright is much higher in Temora at 47.6% than Australia at 31% reflecting an older population and few investment properties.

The high demand and lower supply have caused an increase in the number of individuals and families presenting to the Temora Community Centre in housing stress.

To help alleviate the pressure, Council have taken some short-term measures, such as meeting with real estate agents and the water authority to better understand the number of vacant dwellings. The council has also been publishing articles about the high demand for rentals and holding public forums to present the pipeline of demand and to help stimulate investment in housing.

Longer term actions include:

- * Introducing the [Developer Infrastructure Deferred Payment Policy](#) which has helped incentivise the creation of three new subdivisions that will deliver around 300 housing lots in the next 4 years.
- * Actively reviewing their Local Environment Plan and working with developers and landowners to master plan residential areas.
- * Working with major infrastructure projects to plan for temporary worker accommodation.

ACTIONS THAT CAN BE TAKEN BY GOVERNMENT TO REDUCE/STABILISE RENT

Addressing actions that can be taken by governments to reduce rents or limit rent rises

Regional areas can be better positioned to respond to changes in rental demand through the development of more responsive housing supply and through the implementation of policies that sustain the land development and dwelling construction industry in the long term.

POLICY CONSIDERATIONS

The RAI recommends the Government act urgently to address the lack of rental accessibility in regional Australia by:

- **Reviewing policy and regulatory settings to incentivise greater diversity in the housing mix. This will impact the overall affordability of rental housing and is particularly** important for two groups:
 - Older people seeking to downsize to townhouse or unit dwellings **without leaving their hometown.**
 - Younger professionals and paraprofessionals who are still highly mobile in their job and location preferences.
- **Consider policies and regulatory settings that will increase the supply of ‘development ready’ land.** This could include supporting initiatives such as the Independent MP for Indi Helen Haines’ proposal of a [\\$2bn regional housing infrastructure fund](#) to fast track bringing new land to market.

Focussing a share of the National Housing Infrastructure Facility on the regions for placed-based applications for concessional loans, grants and equity finance could also be considered.

- **Have local and state policy makers together with local industry considering infill and brownfield sites that can be redeveloped into medium to higher density housing.** Policymakers should also consider how to encourage a greater share of greenfield development that is medium to higher density ensuring diversity in the local housing mix to attract key workers – especially in regional towns and cities. Supporting investment in build-to-rent initiatives would assist.
 - **Matching the provision of infrastructure in rural and regional centres to the supply of additional land for housing.** Appropriate infrastructure will both result in growth opportunities and ensure higher rates of labour force participation.
 - **Prioritise the provision of affordable housing in the development of planning schedules.** Often state legislation prioritises other factors including the preservation of agricultural land for environment concerns. While these issues should not be ignored, housing affordability needs to be prioritised.
 - **Design housing programs in ways that meet the needs of regional centres.** This may mean the development of programs that require smaller thresholds, lower entry costs, and have less onerous application processes.
-

RAI RESEARCH

The RAI worked with the University of South Australia on the [Building the Good Life: Foundations of Regional Housing \(May 2022\)](#) report as part of the Shared Inquiry Program 2021-2022. It was released in May 2022.

The report aims to assist policymakers, industry, and regional leaders to establish placed-based initiatives rather than take a 'one-size-fits-all' approach to address the current pressures being felt in many regions.

The report summarises a multi-stage project undertaken by a team at the University of South Australia for the RAI's Intergovernmental Shared Inquiry Program in 2021-22 led by Professor Andrew Beer, a leading expert on housing in Australia.