



South Hedland Service Worker Housing Project



Accessibility to affordable housing has been identified as a key challenge for Hedland and is critical to supporting the Town's strategic outcomes linked to economic and trade diversification in the education, health, retail, hospitality, childcare and community safety sectors.

Individuals in these sectors are more likely to earn low or moderate incomes compared to the higher incomes in the mining sector. They are also more likely to be casual or part-time workers.

Securing affordable housing is an issue many employers and employees face in Hedland and the Town is taking a proactive approach to helping find solutions.

Developing service worker housing is a priority for the Town over the next five years to help foster growth in the residential Hedland population.

Housing by the numbers

- Relative to regional WA, there is a **current deficit of 1,705** service workers. Without intervention, this is expected to increase to 2,391 by 2031.
 - Average rent across Port Hedland is **\$1,000 per week** compared to \$544 across regional WA.
 - Average rents have increased **20%** p.a. in Port Hedland and **36%** per annum in South Hedland since 2020.
 - Housing supply has grown by **0.2%** p.a. since 2017. There have been nine building approvals in the Town of Port Hedland from June 2022-April 2023
 - **\$7.4 billion** in aggregate capital expenditure for large new infrastructure projects is expected to further exacerbate the issue in the coming years.
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The solution

Lot 5996 Cottier Drive is a 2.64 hectare allotment with about 325m frontage to Cottier Drive in South Hedland.

It has been identified as one potential site for development. A concept plan has been completed which includes 76 houses of various design from 1x1, 2x2 and 3x2 proposed. A business case and socio-economic analysis have been developed for this project. Developing service worker housing will improve liveability and attract new investment into the Hedland region.



Community Impact Assessment

A Socio-Economic Impact Assessment commissioned to articulate the benefits of the South Hedland Service Worker Housing project illustrated the following economic benefits to the community:

Economic benefits

\$19m

increase p.a. to the Port Hedland economy

\$152.4m

in total benefits to the Hedland community

\$16.6m

in labour cost savings

2.5%

reduction in rental prices

State benefits

- The South Hedland Service Worker Housing project will generate \$7.6m of State Tax Revenue, in present terms, of 20 years.
- The Project has the potential to unlock additional local funding for State and Local Governments which could be directed towards a range of additional projects and services within the municipality and State.

Investor and business certainty

- Higher resilience and insulation from the turbulence of the mining and transport section' business cycle.
- Greater capacity for key industries to attract and retain staff.
- Increase positively feeding investment into a range of local sectors due to increased certainty around the tenure of labour.
- Will reduce service worker labour costs and provide local businesses with circa \$16.6 million worth of labour cost savings over the assessment period.
- Reducing housing costs for service workers will provide local businesses with more confidence to invest and expand with a greater availability of labour.
- The delivery of the project has the potential to boost business confidence to a level appropriate to enable the expansion of key services including Childcare, Health and Community Service, and Not-for-Profit.

Community benefits

- The South Hedland Service Worker Housing project has the potential to reduce the Social and Community Service worker gap by circa 12.6%, alleviating pressure on community services, including childcare and NFP sector.
- The Project has the potential to unlock an enhanced offering of retail services via the expansion of operating hours and/or the delivery of new, or extension of existing, anchor or specialty stores.
- The Project has the potential to provide additional volunteering with a value equivalent to \$70,230 p.a. to the Town of Port Hedland.
- A more stable and permanent resident population will enable the development and/or reestablishment of community groups and services in addition to contributing to greater business confidence.
- The Project has the potential to further increase community diversity.
- Local participation in sport to increase by 100 people.