



Draft Affordable Housing Strategy

May 2023





Acknowledgement of Country

We acknowledge the Bunurong as the Traditional Owners and Custodians of the lands and waters, and pays respect to their Elders past, present and emerging, for they hold the memories, the traditions, the culture and Lore.

We celebrate the opportunity to embrace and empower the Aboriginal and/or Torres Strait Island Communities in their diversity.

We will create opportunities for future recognition and respectful partnerships that will honour the Traditional Owners and Custodians, and Aboriginal and/or Torres Strait Islander Peoples

Diversity and Inclusion

Bass Coast Shire Council is committed to providing communications and engagement that is welcoming, safe, accessible and inclusive for our community including First Nations, Culturally and Linguistically Diverse (CALD), Lesbian, Gay Bisexual, Transgender, Queer, Intersex and Asexual (LGBTQIA+) peoples, people with disability and of all ages.

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Introduction

Purpose and scope

The Draft Affordable Housing Strategy (the Strategy) has been developed to support Bass Coast Shire Council to facilitate affordable housing in Bass Coast. The Strategy sets out the role of Council and the principles we will adopt in delivering that role.

The Strategy provides a foundation document to support Council to deliver its role and to provide the basis for specific actions that will support Council staff and stakeholders in facilitating affordable housing.

The Strategy focuses on affordable housing. The community is also facing broader issues around housing supply, the cost of market housing, and environmentally sustainable design but those are addressed in other strategic Council, State or Federal government documents.



How to use this Strategy

This Strategy is a document that can be used by Council, Council staff, and the community to support advocacy and actions in relation to affordable housing.

This Strategy is a succinct document written to provide direction and a platform for action. Detailed data analysis and evidence sits in a Background Report which is available on the Council's website at basscoast.vic.gov.au/socialhousing

This Strategy sets out overarching principles for affordable housing in Bass Coast. There are then three key areas which reflect the role that Council will play. They are:

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- Advocacy, engagement, and partnerships
-
- Land use planning
-
- Council land
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For each of these roles, this Strategy sets out objectives and key opportunities for activation. More detailed actions and tasks are set out in the Action Plan which will be monitored and updated each year.



Snapshot of housing need in Bass Coast

There is a clear and immediate need for additional affordable housing in Bass Coast. The Bass Coast Housing Story report found that the current amount and configuration of social and affordable housing in Bass Coast does not match local need.

As at 31 December 2022 the Victorian Housing Register (VHR) had approximately 1,186 applicants wanting to live in Bass Coast, however there are only 374 dwellings available throughout Bass Coast. The breakdown of applications by area in Bass Coast was:

• Cowes	254
• Inverloch	315
• Wonthaggi	617
Total of:	1186

**These figures are estimates only as applicants can provide up to 5 preferred locations.*

Part of the challenge for many households is the availability of private rental housing. The fewer opportunities there are in the private market, the more pressure there is on the affordable housing sector, particularly for social housing.

The Gippsland Regional Housing Network reported that there has been a decrease to rental vacancy rates in the 12 months to June 2022 the total number of private rentals decreased by 5.3 per cent to 126 and of these only 13.9 per cent were affordable to lower income households. Since the beginning of the pandemic, the cost of rental has increased at the same time as there are fewer properties available to rent.



A lack of emergency housing and then exit strategies for clients provided with support was highlighted as an urgent issue in an environment of rising rents and a lack of short-term accommodation options. Motels and caravan parks have been used for short term emergency accommodation in the area, however many are now focusing on tourism and are more reluctant to take on emergency accommodation clients. The Gippsland Regional Housing Network reported that in Bass Coast and South Gippsland the lack of crisis accommodation and the limited availability of affordable housing for low-income earners were causes attributed to 769 people being turned away from services in 2018-19.

Family violence makes a substantial contribution to the risk and prevalence of homelessness for women and their children. In Bass Coast, there were 840 police call outs for family violence in 2022. Bass Coast is placed number 16 for family violence rates in Victoria for 2022.

The Gippsland Regional Housing Network reported that motel and hotel accommodation is the only option available for victim survivors of family violence and their children. It is costly, often not safe enough, has limited privacy, no cooking facilities with rooms not big enough to accommodate a family.

This Affordable Housing Strategy has been prepared to help address these issues. Together with Council's **Healthy Communities Plan 2021-25** the focus is on facilitating an increase in affordable housing and support services to meet the address the need for safe secure affordable housing within our community.





Bass Coast Commitment to Affordable Housing

Bass Coast Shire is home to more than 40,000 residents and is visited by thousands of people each year. Unfortunately, it has become harder and harder for many residents to find a safe, secure and affordable place to live. This impacts on their ability to participate in the local community and local economy. It makes it difficult for them to maintain employment, to attend school or other education, and to stay well.

Council acknowledges that the provision of affordable housing is largely the responsibility of the State Government, and we welcome the \$25m investment in social housing in the municipality as part of the Big Housing Build.

While we may not fund or deliver affordable housing directly, we know we can support our residents by continuing to advocate for additional social housing and for the support services that help people secure and sustain a tenancy.

Council recognises within our municipality the greatest need is for:

- Emergency, transitional and social housing
 - Support services to help people access and sustain housing
 - Local housing for local people
-

Council supports industry best practice that affordable housing should be:

- located in townships so that tenants have good access to services
 - well designed to provide comfortable homes with good amenity for tenants and for neighbourhoods
 - appropriately managed to provide good outcomes for tenants and the local community
-

Council will facilitate affordable housing by:

- Supporting advocacy, engagement, and partnerships
 - Leveraging the land use planning system to deliver affordable housing or including affordable housing in new developments, where negotiated with developers
 - Making Council-owned land available for affordable housing, where appropriate
-

What is Affordable Housing?

Affordable housing is housing, including social housing, that is appropriate for very low, low, and moderate income households¹.

Appropriate housing means:

- There is an eligibility and allocation process to ensure the housing goes to people who need it
- The rent or purchase price is affordable for that household (generally no more than 30 per cent of household income)
- The dwelling is of suitable form and quality and integrated into the neighbourhood both in terms of physical build and local community
- The housing located close to amenities, employment, and transport



Emergency response

Homelessness

Crisis housing / refuge

Transitional housing

Affordable housing

Social Housing

Public Housing

Community Housing

1. See definition in the *Planning and Environment Act 1987* and the matters for consideration in the supporting Ministerial Notice.

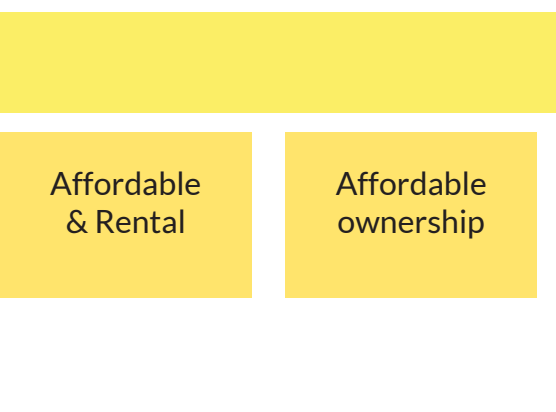
The most common type of affordable housing is social housing, where rent is set as a proportion of household income.

Social housing is either public housing – owned and managed by State Government, or community housing – owned and/or managed by an agency regulated by the Victorian Housing Registrar (not-for-profit organisations).

Affordable housing also includes a broad range of other possible housing types that are not public housing or community housing but are ‘appropriate to the needs’ of very low, low and moderate-income households, provided they address the

points listed on the left. It can be an affordable rental (a discount on market rent) or affordable purchase through a program like shared equity.

The diagram below illustrates where affordable housing fits into the broader housing continuum.





Housing need in Bass Coast

How much affordable housing do we need?

There is a clear and immediate need for more affordable housing in the Bass Coast.

The Bass Coast Housing Story Report found that the current amount and configuration of social and affordable housing in Bass Coast does not match local need.

What sort of affordable housing do we need?

Of the applications on the VHR in December 2022 approximately 62 per cent were for one-bedroom dwellings. This reflects feedback from housing and service providers that there is a significant demand for single-person households.

There is a demand for emergency, transitional, and social housing. It is important to increase the amount social housing hand-in-hand with an increase in the amount of emergency housing so that people can move out of emergency accommodation into safe, secure, long-term affordable housing.

The largest growing cohort of people in need is older single women, but there are also young single people, families, and older people are experiencing housing stress or housing insecurity, with many at risk of homelessness. Family violence also makes a substantial contribution to the risk and prevalence of homelessness for women and their children. In Bass Coast, there were 840 police callouts for family violence in 2022.



Services that support people into and in affordable housing

In addition to housing providers, there are service providers in Bass Coast that help people secure and maintain a tenancy. These services are vital for people, not just in sustaining their tenancy but in being able to fully participate in the local community and economy.

But the services are under significant strain. The number people seeking support and the complexity of their needs is increasing and the funding to deliver the services has not kept pace.

The Gippsland Regional Housing Network reported that in Bass Coast and South Gippsland the lack of crisis accommodation and the limited availability of affordable housing for low-income earners were causes attributed to 769 people being turned away from services in 2018-19.

Where should affordable housing be located?

To ensure that affordable housing tenants have access to the services that many people need, and to avoid issues of social isolation and transport poverty, affordable housing should be located:

- In townships with well-established services (health, education, shops)
- Close to the town centre to be within walking distance to services (preferably)
- Accessible to public transport

For Bass Coast this means locating affordable housing in Cowes and Wonthaggi, and potentially in Grantville, Inverloch, and San Remo too.

These parameters are not a hard and fast rule. There may be circumstances where it is appropriate to have housing further away from the town centre if residents are well supported with transport and access to services.

Affordable Housing Policy Framework

The diagram below illustrates the roles and responsibilities of Federal and State government, the community housing sector and the development industry in relation to affordable housing.



The Federal Government has responsibility for taxation settings and policy which influence housing affordability. In the past the Federal Government has provided specific stimulus programs to fund affordable housing.

The State Government has primary responsibility for funding affordable housing. It is also the largest social housing landlord with more than 65,000 public housing dwellings. The recently established Homes Victoria, which sits within the Department of Families, Fairness and Housing, is responsible for the management of the social housing system in Victoria.

The community housing sector owns and/or manages affordable housing, primarily social housing. They make up a growing proportion of social housing, accounting for more than 20,000 tenancies.

The current policy settings around State Government funding to the community housing sector, restrict funding to the capital (upfront) cost. Operational costs expected to be met from rental revenue – a challenge when rents are set so low to be affordable for very low-income households.

The private development sector has access to finance and capital, plus the experience and scale to deliver housing development at a scale and efficiency that other sectors don't. While the development industry is willing to work with the community and government sector, their business model relies on certainty of costs. It can be difficult to factor in providing a subsidy or discount for affordable housing in the current voluntary environment.



The role for Local Government

Until quite recently, the role for Local Government in relation to housing has focused on land use policy levers that facilitate housing supply and influence the location, built form, and environmental sustainability of housing. With changes to the planning legislation and increasing concern from councils about the impact on their communities from the lack of affordable housing, more and more councils are taking up a range of roles related to affordable housing.

There is no prescribed way in which councils must facilitate the delivery of affordable housing but there are several relevant Acts:

- Local Government Act 2020
- Planning and Environment Act 1987
- Housing Act 1983



Local Government Act

The primary piece of legislation that guides councils is the Local Government Act 2020.

Section 8 of the Local Government Act sets out the role of a council: The role of a council is to provide good governance in its municipal district for the benefit and wellbeing of the municipal community.

In line with the Local Government Act, any role or action for affordable housing that Council adopts needs to be undertaken in a way that demonstrates good governance and provides for the benefit and wellbeing of the Bass Coast community. This Strategy is a document that has been delivered to reflect the requirements of the Local Government Act.

Planning and Environment Act

The Planning and Environment Act 1987 provides a framework for the administration of the use and development of land. The PE Act has an objective (Section 4):

1(fa) to facilitate the provision of affordable housing in Victoria

Through the function of controlling the use and development of land, the Planning and Environment Act provides councils with a means of facilitating affordable housing through the development process.

Council planning staff can seek to negotiate affordable housing agreements through the planning system. The negotiation may be as part of a proposal to rezone land, or as part of a planning permit application. The current legislative framework requires that an affordable housing contribution must be agreed on a voluntary basis, but there is a growing appreciation that, if there is sufficient supporting policy, a council can reasonably request an affordable housing contribution.

Housing Act

The Housing Act has the broad objective, among other things, of ensuring every person in Victoria has adequate and appropriate housing at a price within his or her means. The Housing Act, together with the Office of the Housing Registrar, provides the framework for the establishment, compliance, and recognition of registered housing agencies – the registered not-for-profit organisations that manage affordable housing for eligible households.

Councils are not directly involved in implementing the Housing Act, but it is useful to understand the legislation under which public housing and community housing organisations operate.



The role of Council

Council has identified it will facilitate the delivery of affordable housing in the municipality through:

-
- Advocacy, engagement, and partnerships
-
- Leveraging the land use planning system to the extent practicable
-
- Where appropriate, making Council-owned land available
-

This is described in more detail on pages 19 to 23.

Advocacy, engagement, partnerships

We cannot address the shortage of affordable housing on our own. Council will create partnerships with service and housing organisations to advocate for sustainable levels of funding. We will engage with our community and stakeholders to illustrate the importance of affordable housing and to increase the support for affordable housing in Bass Coast Shire.

Objectives

Objective 1: Council works with stakeholders on the issue of housing affordability, focusing on responses that improve outcomes for our community.

Objective 2: Our advocacy and engagement increases support for and delivery of affordable housing and services in the municipality and the region.

Objective 3: Strategic partnerships with State Government, housing and service providers, and developers deliver improved affordable housing outcomes for the community and individuals.

Objective 4: The Bass Coast community understands the value of affordable housing and why Council seeks to advocate for its inclusion in new and existing townships.

Policies

Policy 1: Council works in partnership with service and housing providers to deliver effective and targeted advocacy to improve funding for affordable housing and associated services in Bass Coast and the region.

Policy 2: Council engages with the Bass Coast community to explain the importance of affordable housing in new and existing suburbs and townships.

Key actions

Action 1: Council will identify and strengthen partnerships with strategic stakeholders to deliver a cohesive advocacy program to State Government for funding for affordable housing and associated services in Bass Coast Shire and the region.

Further actions are contained in the Action Plan (refer to Attachment 1 of this report) which will be updated annually.





Land Use Planning

Council recognises that the Planning and Environment Act and the State Government land use provisions provide a framework that relies on voluntary negotiations to facilitate affordable housing. We will work within this framework to encourage developers to provide affordable housing, balancing this against the need to also encourage the supply of market housing for our growing population.

Objectives

Objective 5: We have vibrant cohesive communities, and townships that include affordable housing.

Objective 6: Council encourages developers to provide affordable housing as part of rezoning proposals and planning permit applications.

Objective 7: The development industry has a greater understanding of the role they can play in providing affordable housing as part of rezoning proposals and planning permit applications.



Policy

Policy 3: Council will encourage an affordable housing contribution for rezoning proposals that include residential or mixed-use component; and for multi-lot of multi-dwelling planning permit applications.

Policy 4: Council will recognise the benefit provided by affordable housing and will balance that against other planning matters when assessing planning permit applications for affordable housing.

Key actions

Action 2: Training and support will be provided to strategic and statutory planning staff to give them the skills and knowledge to successfully negotiate affordable housing contributions as part of rezoning proposals and planning permit applications.

Further actions are contained in the Action Plan (refer to Attachment 1 of this report) which will be updated annually.



Use of Council land

While Council cannot deliver or subsidise the amount of affordable housing that is required to meet demand in Bass Coast, we can make a meaningful contribution through the use of Council-owned land.

Objectives

Objective 10: Council contributes to increasing the amount of affordable housing in the municipality by using some Council-owned land for affordable housing.

Policies

Policy 5: Council will make Council-owned land available for the delivery of affordable housing in line with the decision framework on page 23.

Key actions

Action 4: When considering a change of use or development of Council land, Council will consider whether it is appropriate to be used for affordable housing.

Action 5: Council will review Council-owned land in the municipality and assess its suitability for affordable housing.

Further actions are contained in the Action Plan (refer to Attachment 1 of this report) which will be updated annually.

Framework for assessing Council land for affordable housing

When determining whether a Council-owned site should be made available for affordable housing, officers will consider and provide an assessment of the following factors before making a recommendation to Council.

Consideration	
Demand	Is there demand for affordable housing in this location?
Other sites	Is there government-owned land nearby that would better provide for affordable housing?
Location	Is the site within a township?
Intended use	Has the site been earmarked for a (or an existing) Council use, building, or service and identified in a Council strategy, plan, or report? Could that service or asset be co-located with affordable housing?
Budget	Is the site expected to deliver revenue from the sale of the site which has been included in Council's budget and Capital works plan?
Site characteristics	Is the site of a suitable size and topography that would make construction of affordable housing possible and cost effective?
Planning	Is the site appropriately zoned for residential use and development?
Neighbourhood	Is the site within an area with a high concentration of existing affordable housing e.g. more than 30 per cent of dwellings in the neighbourhood? If so, it may not be appropriate to add more affordable housing.
Development viability	Is the site constrained by anything else that makes residential use and development more expensive (e.g. ground contamination, extensive drainage or infrastructure requirements, heritage factors)
Delivery mechanism	Could affordable housing be delivered on site through a ground lease, or would it require transfer of title?
Exceptional circumstances	Are there any other associated with circumstances that mean Council should consider the site (eg. grant contingent on site usage, earmarked revenue secured elsewhere, potential to include private market housing, others?).

Conclusion

This is the first Affordable Housing Strategy for Bass Coast. It's intent is to provide clear direction on the role Council can play in the delivery of affordable housing. Implementation of the strategy will be monitored annually and updated as required to ensure it meets the changing needs of our community and respond to any changes in policy at the Federal and State level.

Housing affordability is not an issue that council can address on its own, and we will continue to advocate and work collaboratively with all levels of government, service providers, developers and community in order to address housing affordability for our community.



Attachment 1 Action Plan

This Action Plan will become a separate document that will set out key actions, responsibilities, budget and timeframes to provide clear direction to Council and community.

These actions will be reviewed and updated annually.

Action	Lead Sub Teams	Budget	Timeframe
Develop and deliver an advocacy program to State Government regarding funding for housing and services to meet the housing needs of the Bass Coast community	Advocacy	N/A	Short
Develop community engagement resources / program regarding affordable housing to build community support and understanding	Social Planning Communications	\$10k	Short
Identify and strengthen strategic partnerships with housing and service providers and support those partnerships when delivering Council services.	Social Planning		On-going
Undertaken and/or implement training / mentoring / program for strategic and statutory planning staff to enable them to successfully negotiate affordable housing contributions on relevant planning applications	Strategy and Growth	\$10k	Short/ medium
Develop and implement information sessions and/or resources for developers to promote the delivery of affordable housing initiatives in new developments	Economic Development Strategy and Growth Social Planning Communications		On-going
Undertake a review of Council-owned land to identify suitable sites for affordable housing	Property Strategy and Growth Social and Community Planning	N/A – Existing processes	On-going
Update implementation plan annually, incorporating any new data that may have become available to assist in delivering the strategy.	Social Planning	N/A	Short

Notes:







Draft Affordable Housing Strategy

May 2023

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1300 BCOAST (226 278) or (03) 5671 2211 or
via the National Relay Service (if you are deaf
and/or find it hard hearing or speaking with people
who use a phone) on their website:

www.infrastructure.gov.au/national-relay-service

basscoast.vic.gov.au