



Latrobe Social and Affordable Housing Strategy

Final report prepared for Latrobe City Council

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The Study Team recognises that the State of Victoria has an ancient and proud Aboriginal history and complex ownership and land stewardship systems stretching back many thousands of years. We would like to acknowledge the Traditional Owners of this land, and offer our respect to the past and present Elders, and through them to all Aboriginal and Torres Strait Islander People.

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Executive Summary

Rising house prices and rents, and limited investment in social and affordable housing have led to an increase in the number of households experiencing housing stress in the Latrobe community. This strategy makes a clear case for taking action for greater affordable housing provision in Latrobe City. It demonstrates both the need and the benefits of providing social and affordable housing.

Introduction

At the local level, Latrobe City recognises that its community is undergoing significant economic and social transition. In response, the *Council Plan 2021-2025* advocates for Latrobe to be known as “*smart, creative, healthy, sustainable and connected*” and to realise “*a diverse, connected and resilient community*”. The delivery of social and affordable housing in Latrobe is an important part of achieving this vision.

The *Live, Work, Latrobe Housing Strategy 2019* considers social and affordable housing as important for supporting housing diversity across the municipality. One of the recommended actions as part of realising an improved supply, diversity and quality of affordable housing is to “*develop a Social Housing Strategy to guide the long-term provision and renewal of social housing across the City.*”

This recommendation has emerged from several trends that have developed in the municipality, including changing demographics, changing housing preferences and demand for more diverse housing stock. There has been increased pressure on social services and increased demand for short-term accommodation and rooming houses because of a flooded rental market.

In turn, rates of homelessness in Latrobe City are on the rise. It is also highlighted in the strategy that Latrobe was ranked the seventh most socio-economically disadvantaged municipality in the State and the most disadvantaged Regional City in the Socio-Economic Indexes for Areas (SEIFA) data following the 2016 Census. The effects of this disadvantage have become more pronounced since the COVID-19 pandemic, especially for people on low incomes.

Increasing social and affordable housing supply in Latrobe City will yield significant benefits for individuals, the community and the economy. These include:

- **Reducing disadvantage:** The primary benefit of social and affordable housing is reduced disadvantage for individuals resulting in improved health, increased engagement with work and study, reduced experience and perpetration of crime, and increased connection with community.
- **Better labour markets:** Ensuring that diverse and affordable housing is provided in locations close to or with excellent access to jobs in Latrobe will contribute to support business growth and development and a thriving and productive local economy.
- **Improved diversity:** Encouraging a mix people of different cultures, social classes, life-cycle stages, and immigration statuses through the provision of diverse housing opportunities fosters interaction and trust between different people, as well as promoting economic opportunity.

- **Supporting ageing in place:** Providing houses of different sizes, tenures, prices and types across the municipality supports the individual choices of households to live in appropriate housing and in locations that suit them best at particular points in their life.
- **City culture and branding:** Research has found that places that maintain a reputation for diversity, multi-culturalism and tolerance are highly competitive in attracting business investment, managerial staff and knowledge workers, as well as tourism.

Several developments at the state-government level have created momentum for increased action on affordable housing. These are:

- Inclusion of policies in the State Government’s strategic planning framework, *Plan Melbourne 2017*, to facilitate the supply of affordable housing.
- Amendments to the *Planning and Environment Act 1987* to include a definition of “affordable housing” and an objective of the planning system to “facilitate the provision of affordable housing in Victoria”.
- Recent announcement of the Victorian Government’s Big Housing Build stimulus program, which includes a guaranteed spend of \$60m for Latrobe City.
- Inclusion of a recommendation in Infrastructure Victoria’s 2020 draft update to its 30-year Infrastructure Strategy to “deliver very low-income housing with inclusionary zoning” (recommendation 36).
- Launch of the Victorian Government’s discussion paper on the development of a 10-year social and affordable housing strategy.

Local, state and federal government have a shared responsibility to address need for social and affordable housing (as detailed further in the Action Plan), with each responsible for delivering one third of the overall measured need for social and affordable housing in Latrobe.

With this context in mind, the purpose of this Strategy is to:

- Identify broader economic trends and implications for housing affordability in Latrobe City and the experience of housing stress.
- Overview the current socio-economic profile of Latrobe City and assess future need for social and affordable housing.
- Overview social and affordable housing options within the ‘*housing supply continuum*’.
- Identify of objectives and strategies that consider advocacy, partnership and regulatory opportunities.

Measuring the need for housing assistance

The need for housing assistance in Latrobe has been quantified by considering the number of homeless persons, households living in social housing, and the prevalence of renting households that are in housing stress. Housing stress is defined as paying more than 30 per cent of gross household income towards rent, while earning a very low, low or moderate income.

Combined, these groups represent 4,882 households in housing stress or 14 per cent of all households in Latrobe and 66 per cent of rented dwellings. Of the households in housing stress, one parent families’ households account for the largest single cohort; over 30 per cent of this group. A significant share –

more than 30 per cent – of households in rental stress are experiencing severe housing stress, that is, they are spending more than 50 per cent of their income on rent.

High house prices and rising monthly mortgage repayments are likely contributing to an increasing number of households experiencing mortgage stress. However, addressing mortgage stress requires policy solutions that are typically outside of the control of local government. As a result, this report is primarily focused on rental stress in Latrobe, and as such is an underestimate of the total extent of total housing stress (rental and mortgage) in the municipality.

Council’s strategy

Council can contribute to increasing the supply of social and affordable housing in several ways, which can be broadly grouped into “three tiers of influence”. Each tier is distinguished by the relative level of direct involvement and investment by Council. These include:

- **Tier 1:** Facilitating efficient housing markets
- **Tier 2:** Facilitating affordable housing supply
- **Tier 3:** Investing in affordable housing

In executing action across the tiers for action defined above, Council has four primary policy levers available to it, these are:

- Regulation
- Partnership
- Investment
- Advocacy

A summary of the action plan for addressing identified need that leverages the framework defined above is provided in the table below:

SUMMARY OF STRATEGIES

Strategy		Impact	Council resources	Ease of implementation	Policy lever
Tier 1: Facilitating efficient housing markets					
1	Continue to implement Live, Work, Latrobe Housing Strategy 2019	Low	Low	Moderate	Regulation
2	Progress preparation of background work for Infrastructure Needs Analysis	Moderate	High	Moderate	Regulation
3	Identify and seek to resolve barriers to the delivery of diverse housing product (such as townhouses, units, shop top housing etc.)	Moderate	High	Moderate	Regulation

4	Improve development and management outcomes for Rooming Houses	Low	Moderate	Moderate	Regulation
5	Foster partnerships to assist 'rental ready' marginalised households to enter, or transition from public or community housing to the private rental market	Moderate	Low	Moderate	Partnership
Tier 2: Facilitating affordable housing supply					
6	Publish information on the Community Housing Sector for developers and provide a single point of contact at Council for enquiries	Low	Low	High	Partnership
7	Develop a program to inform the community on the need for and benefits of social and affordable housing	Low	Low	High	Advocacy
8	Prepare a program of advocacy to State and Federal Government for continuing and increased action to address social and affordable housing need across the state.	High	Low	High	Advocacy
9	Seek a planning scheme amendment to include a strong statement of support for affordable housing contributions in Latrobe.	Moderate	Moderate	Moderate	Regulation
10	Develop Council policy and approach to inclusionary requirements for affordable housing	High	Moderate	Low	Regulation
11	Consider potential to develop policy and approach to value sharing for ad hoc rezoning proposals following implementation of the Windfall Gains Tax	High	Moderate	Low	Regulation
12	Establish an appropriate mechanism to receive cash in-lieu affordable housing contributions	N/A	Moderate	Moderate	Regulation
13	Establish an Expression of Interest (EOI) process (or alternative) to disburse funds collected through	N/A	Low	High	Regulation

	inclusionary requirements to Community Housing Providers				
14	Provide appropriate direction regarding preferred locations for social and affordable housing	Moderate	Moderate	Moderate	Regulation
15	Engage with the State Government regarding preferred locations and development outcomes in Latrobe from investment via the Big Housing Build	Moderate	Low	High	Advocacy
Tier 3: Investing in affordable housing					
16	Engage with Community Housing Providers regarding disposal of excess Council land assets	Moderate	Low	High	Partnership

Source: SGS Economics and Planning (2021)

This Social and Affordable Housing Strategy outlines 16 actions for improving housing outcomes in Latrobe City. Four priority actions are listed below. These actions represent those that will have the greatest impact on housing outcomes in the City.

- **Strategy 8:** Prepare a program of advocacy to State and Federal Government for continuing and increased action to address need across the state.
- **Strategy 9:** Seek a planning scheme amendment to include a strong statement of support for affordable housing contributions in Latrobe.
- **Strategy 10:** Develop Council’s policy and approach to inclusionary requirements for affordable housing.
- **Strategy 14:** Provide appropriate direction regarding preferred locations for social and affordable housing.

We recommend that the strategy be reviewed and updated in 2030 (or sooner if required), at which time further tools and options may be available.

1. Introduction

This strategy is Council’s response to the growing need for social and affordable housing in Latrobe City. It comes at a time where there is a growing role for the planning system in delivering affordable housing, setting out clear and practical strategies and actions.

1.1 Policy context

Several developments at the State government level have created momentum for new action on affordable housing. Plan Melbourne identified policies to facilitate the supply of affordable housing. Homes for Victorians includes a range of measures that encompass housing supply, housing services and reforms to the rental sector. Amendments made in 2018 to the *Planning and Environment Act 1987* strengthened the role of the planning system in contributing to affordable housing by defining affordable housing and adding an objective of the planning system to “facilitate the provision of affordable housing in Victoria”.

Most significantly, the Victorian Government’s Big Housing Build – announced in 2020 as a stimulus response to the COVID-19 pandemic – allocates \$5.3 billion over four years to build over 12,000 new social housing dwellings. This incorporates funds for Strategic Partnership Projects including:

- \$1.3 billion under the Social Housing Growth Fund, and
- \$2.1 billion under a partnership with the private and community housing sectors.

Twenty-five per cent, or over \$1.25 billion, is committed to regional Victoria with \$765 million allocated to the Minimum Investment Guarantee for local government areas, including **\$60m for Latrobe City**.

Infrastructure Victoria’s 2020 draft update to its 30-year Infrastructure Strategy includes a recommendation to “Deliver very low-income housing with inclusionary zoning” (recommendation 36).

Most recently, State Government launched a 2021 discussion paper on the development of a 10-year social and affordable housing strategy. This plan signals a new approach to shared planning and co-contributions, for example, the opportunity and expectation of councils and community groups contributing equity (land) to social housing projects. It also signals opportunities for new partnerships between state and local government through a ‘Social and Affordable Housing Compact’.

At the local level, Latrobe City recognises that the City’s community is in significant economic and social transition. In response, the *Council Plan 2021-2025* advocates for Latrobe City being known as “*smart, creative, healthy, sustainable and connected*” to realise “*a diverse, connected and resilient community*”.

The *Live, Work, Latrobe Housing Strategy 2019* responds to the Council Plan, presenting an overarching framework for Latrobe’s housing stock and residential areas. The Strategy includes the following overarching vision for housing in Latrobe:

“Latrobe City will provide a diverse range of housing opportunities and types to cater for its changing and growing population. Housing types will range from apartments to family homes to rural lifestyle properties, catering for differing needs, preferences and lifecycle choices...”

The Strategy recommends that Council prepare a Social Housing Strategy aimed at developing a position and approach for addressing social housing provision throughout the City

1.2 Project purpose

Against this background, Council commissioned SGS Economics and Planning to develop a Social & Affordable Housing Strategy for Latrobe City.

The purpose of this Strategy is to:

- Identify broader economic trends and implications for housing affordability in Latrobe City and the experience of housing stress.
- Overview the current socio-economic profile of Latrobe City and assess future need for social and affordable housing.
- Overview social and affordable housing options within the 'housing supply continuum'.
- Prepare an Action Plan consisting of objectives and strategies that consider advocacy, partnership and regulatory opportunities in relation to social and affordable housing.

1.3 Report structure

The Strategy is structured as follows:

- **Section 2: Key Concepts and Definitions** distinguishes between the issues of housing affordability and affordable housing. It provides a practical and precise definition for identifying the need for social and affordable housing in the Latrobe City and how Council might address that need.
- **Section 3: The Case for Social and Affordable Housing** outlines the benefits of social and affordable housing provision for those that not only directly benefit from it, but also the broader social and economic environment of the local community.
- **Section 4: Housing in Latrobe** investigates broader economic and social trends influencing housing outcomes in Latrobe, provides an estimate of the number of households that are experiencing homelessness and housing stress, and measures total current and projected need of social and affordable housing.
- **Section 5: Affordable Housing Contributions** overviews potential mechanisms for seeking social and affordable housing contributions from the development process, with a focus on inclusionary requirements and value sharing or value capture arrangements.
- **Section 6: Delivering social and affordable housing in Latrobe** discusses Council's potential role in social and affordable housing provision and presents a framework for a range of strategies and actions. The strategies and actions are discussed in greater detail in accordance with the 'three tiers' framework for Council action.

2. Key concepts and definitions

Policy makers, housing providers, analysts and others have adopted different definitions of affordable housing. This section will define a practical and precise definition for identifying the need for affordable housing in Latrobe City.

2.1 Affordable housing versus housing affordability

Affordable housing and housing affordability are two closely related but independent concepts. While aspects of the Strategy are relevant to the issue of housing affordability, the focus is on measures that Council might pursue to increase the supply of affordable housing.

The term housing affordability refers to the general cost of housing relative to incomes. Housing affordability has become a significant concern in recent decades as rent and house prices have increased rapidly in comparison to wage growth making it more difficult for households to afford suitable accommodation. On the other hand, for many households that are already 'on the home ownership ladder' this increase in prices has generated significant wealth.

The term affordable housing generally refers to rental housing that is available to lower income households which is affordable for their level of income. The specific forms and models that affordable housing can take are many and varied. There is no universal or precise definition of affordable housing, however, the State Government definition in section 2.2 has become widely adopted in Victoria.

Unlike the analysis of housing affordability, which considers people at all income levels, affordable housing is typically targeted at lower income households. Affordable housing also focusses on the affordability of renting a dwelling, while the analysis of housing affordability is more focussed on property ownership (although rents are sometimes also considered).

Social and affordable housing policies seek to address failures in the rental housing market such that segments of society are not excluded from living, working and participating in the local community. Policies that support home ownership have broader objectives that address the financial security of households, their long-term investments, and retirement savings. The primary impact of these policies is on the asset and investments of a household.

2.2 What housing is affordable?

The affordability of housing depends on the income of the household. When housing costs are too high, relative to income, a household can find themselves in housing stress. Housing stress is a situation in which a household's rental payments are so high that they must sacrifice on food, health care, education and other necessities.

A household that spends more than 30 per cent of their income on housing can be in moderate housing stress. A household that spends more than 50 per cent of their income on housing can be in severe housing stress. These thresholds are commonly used by researchers and policy makers, such as the Australian Housing and Urban Research Institute.

When households have low or moderate incomes and experience housing stress, they are considered in need of affordable housing. Households with higher incomes are excluded because high housing costs do not typically impact their ability to pay for necessities. They also have more choice over their housing costs because they are often able to reduce their housing expenditure (by moving) while lower income households often cannot.

Therefore, housing is considered affordable if the costs of that housing do not place the household into housing stress. Specifically, if the housing costs are below 30 per cent of gross income for households with very low, low or moderate incomes.

The State Government has introduced a definition of affordable housing to the *Planning and Environment Act 1987* being “housing that is appropriate to the needs of very low, low, and moderate-income households” (see text box below). The Minister has also provided a list of “matters that must be considered in determining whether housing provided under an Affordable Housing Agreement is appropriate for the needs of very low, low and moderate-income households.” These include allocation, affordability, longevity, tenure, type, location, integration and need.

Notwithstanding this advice, it does not provide definitive guidance on what is meant by ‘appropriate to the needs’ of households within the defined income bands. In line with the discussion above, this Strategy adopts the benchmark of housing costs being below 30 per cent of income as appropriate to the needs of these households as it implies that they would not be experiencing housing stress. Section 4 applies the benchmark to estimate the number of households in housing stress and identify the need for affordable housing.

TECHNICAL DEFINITION UNDER THE PLANNING AND ENVIRONMENT ACT

A definition of **affordable housing** was introduced into Section 3AA of the *Planning and Environment Act 1987* in June 2018. Affordable housing is defined as housing (including social housing) that is appropriate to the needs of very low, low, and moderate-income households.

Income ranges for the three income 'quintiles' are provided for three different household types: single adults, couples without dependents and families with dependents. These are updated periodically, and the current ranges are shown in Table 1 below. The analysis in this report assumes that the income is gross income before tax.

Social housing is a subset of affordable housing. DHHS defines social housing as "housing that is provided to eligible households, with rents subsidised to ensure that households pay an affordable rent" and is owned and managed by either the Director of Housing (public housing) or Registered Housing Agencies (community housing).

TABLE 1: ANNUAL INCOME RANGE OF HOUSEHOLDS ELIGIBLE FOR AFFORDABLE HOUSING (2020)

Household	Very low (Bottom 20 per cent)	Low (Bottom 20% - 40%)	Moderate (Middle 40% to 60%)
Single adult	Up to \$19,020	\$19,021 to \$30,430	\$30,431 to \$45,640
Couple, no dependents	Up to \$28,520	\$28,521 to \$45,640	\$45,641 to \$68,460
Family with dependents (one or two parents)	Up to \$39,930	\$39,931 to \$63,900	\$63,901 to \$95,840

Source: Planning and Environment Act 1987, Section 3AB – Specification of Income ranges (Order in Council), 30 June 2020

2.3 Different types of affordable housing

Our communities require a range of housing types to cater for the needs of all households. It is useful to think of the various types of housing as forming a housing supply continuum where the level of assistance or subsidy required is highest at one end of the continuum, and progressively decreases at the other. This concept is illustrated in Figure 1 on page 16.

Home ownership and private market affordable rental housing are the categories furthest to the right of the spectrum. This is housing provided on the open market without any government subsidy. This makes up the largest portion of affordable housing because most households can generally find themselves a dwelling that they can afford when searching the rental market. However, in Australia's major cities, where housing costs have risen significantly relative to incomes, the share of 'market affordable' housing is declining. Hence, the need for policies and interventions to increase the supply of other types of affordable housing.

Social housing is a subset of affordable housing and refers to either public housing (government owned) or community housing (owned by a not-for-profit organisation).

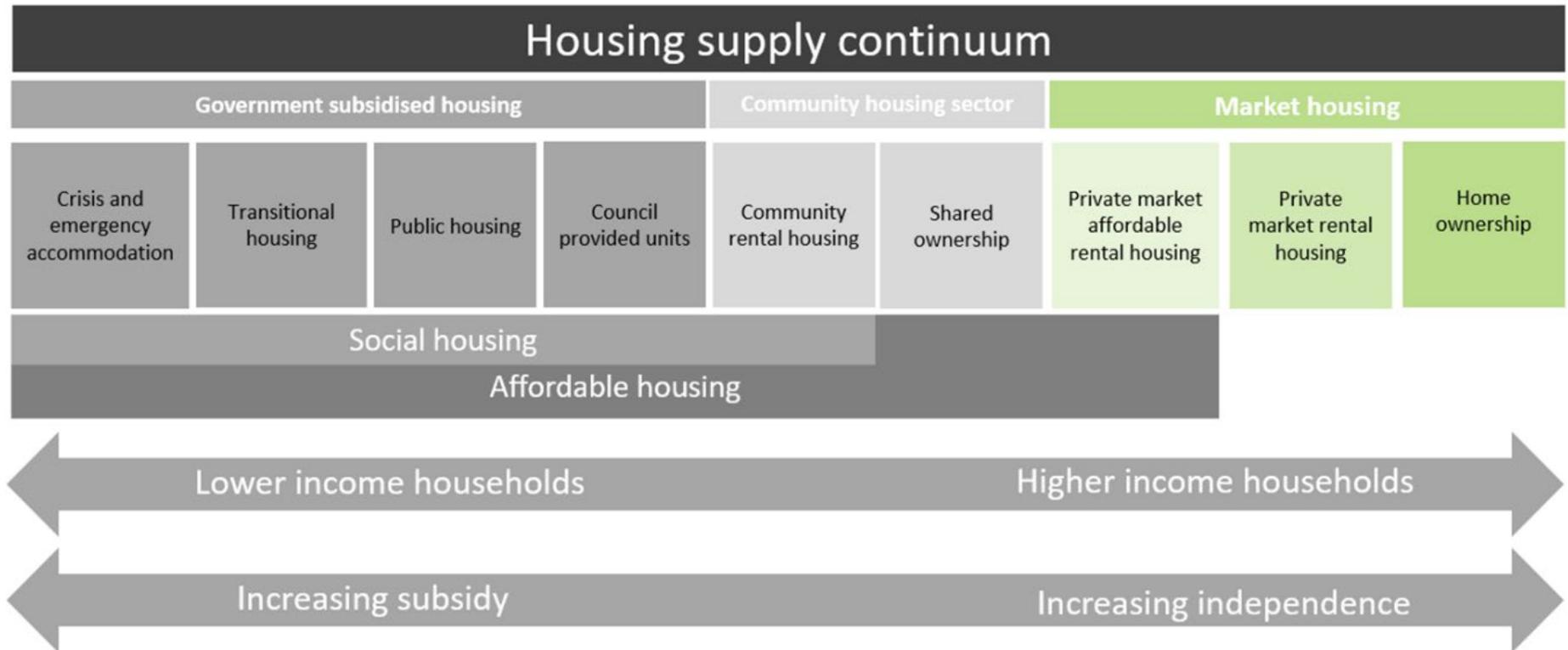
Public housing owned by the Victorian Government is generally made available to the lowest income groups and households with the highest needs who are homeless, escaping or have escaped family

violence, have a disability or significant support needs or with special housing needs. Crisis and emergency accommodation and transitional housing are also funded by government.

Community rental housing – that is, housing owned and operated by Registered Housing Agencies – accommodates a broader range of households. They accommodate both high needs households that have very little or no income as well as some households that can afford to pay higher rents that may, in some instances, be much closer to market rents.

Some models are designed to help people purchase a home in the affordable housing spectrum, such as shared ownership in the spectrum below. However, these models and their associated policies should be kept separate from affordable housing because they have different objectives and impacts.

FIGURE 1: HOUSING SUPPLY CONTINUUM



Source: SGS Economics and Planning (2021)

3. The case for social and affordable housing

There is a strong case for better access to affordable housing in Latrobe. The benefits will not only go to the people who live in the housing, but also to the social and economic environment of the wider community. There are three main benefits: reduced disadvantage, improved diversity and better labour markets.

3.1 Reduced disadvantage

The primary benefit of social and affordable housing is reduced disadvantage. This comes directly in the form of shelter and indirectly through a 'wellbeing dividend' from the wide range of benefits that stable shelter affords (Beer et al., 2011).

For individuals, having access to shelter can mean they avoid homelessness. Prentice and Scutella (2018) estimated that Australian social housing recipients were 65 per cent less likely to experience homelessness than similar tenants in the private rental market. At the regional level, areas with higher levels of affordable housing supply are likely to have lower rates of homelessness (Parkinson et al., 2019).

A rich body of literature explores the indirect wellbeing benefits of housing assistance. People with stable accommodation:

- Require less healthcare;
- Have fewer emergency admissions;
- Have longer life expectancy;
- Are more likely to maintain or re-engage with work and study;
- Are less likely to be involved in crime, both as victims and perpetrators; and
- Have better learning outcomes and develop stronger social capital.

The wellbeing dividend accrues to both the people who receive the services and the wider community which funds the services through the tax and transfer system. For example, Witte (2017) estimates that every \$1 invested in last resort beds to address the homelessness crisis generates \$2.70 worth of benefits for the community (over 20 years).

Increasing the supply of affordable housing in Latrobe would help reduce the impacts of housing stress and homelessness. This would mean better access to housing for those who need it, plus the associated wellbeing dividend that comes with stable and affordable shelter.

3.2 Improved diversity

Government investment in infrastructure and services has been targeted to areas with the greatest economic productivity potential, for example, the CBD's of metropolitan cities and large regional centres. Focusing infrastructure and services in central locations creates efficiencies, attracting firms and encouraging job growth. However, these locations are also often correlated with higher housing costs and poor affordability.

Those who cannot secure affordable housing in these areas are required to find housing in an alternative location; frequently in areas that are defined by significantly poorer access to employment, services, transport and lower amenity (Wiesel, 2017). Such processes act to create areas of both concentrated advantage and disadvantage. This pattern is evident in Latrobe.

Such locational disadvantage and social segregation have significant consequences. The costs to individuals include poor psychological health and wellbeing outcomes. Local communities suffer in terms of reduced social capital and cohesion, and increased rates of crime and violence. Meanwhile, the regional landscape sees decreased productivity and rising fiscal costs to government (Berry, 2003). More generally, spatial segregation runs counter to egalitarian values widely held in Australian society.

In contrast to this, a large body of research has explored the benefits arising from the creation of places that support diverse and inclusive communities, notably popularised by Jane Jacobs in the 1960s. Jacobs (1961) argued that a mix of people of different cultures, social class, life-cycle stage, and immigration status foster interaction and trust between different people, as well as promote economic opportunity. Housing diversity, including diversity of tenure, type and price, can play a crucial role in the stimulation of a broader socio-demographic diversity (Fainstein, 2010; Rolnik, 2014).

Latrobe City offers many economic opportunities to its residents and those of neighbouring municipalities. However, declining rental affordability means that some lower income households could be excluded from those opportunities.

3.3 Better labour markets

Latrobe City's economy is reliant on the ability to attract and retain workers, this includes higher income professional and technical services workers (doctors, lawyers, engineers) as well as lower income, "key workers" such as cleaners, baristas, administrators and labourers.

A lack of housing to meet the needs of different types of workers may lead to difficulty for businesses in attracting and retaining staff. When workers cannot find a house that is close to work, affordable, secure and fits their personal needs, they may be drawn to other cities and regions where the types and prices of housing better suit their needs. The consequence of this is that employers may not be able to hire the skills they need to effectively run the businesses and services that the community needs. Such labour shortages can mean unproductive labour, poor staff retention and higher costs for consumers.

Lack of suitable and affordable housing close to places of employment can also lead to excessive commute times and enhanced feelings of stress. This can come through adverse impacts on individual health and wellbeing, capped career progression, reduced ability to upskill and diminished workforce participation (Phibbs and Young, 2005; Ravi and Reinhardt, 2011). Each of these outcomes will reduce the productivity potential of individuals, this has negative impacts on their own personal development and their performance at work.

Particularly within the context of Latrobe City's ongoing economic transitions, a highly functioning labour market is essential to the future success of the local economy. This means that employers need to access workers and workers need to access jobs, for both high- and low-income job opportunities. Access to affordable housing for low-income earners may assist in supporting the function of the local economy.

Ensuring that diverse and affordable housing is provided in locations close to or with excellent access to jobs in Latrobe City will contribute to a thriving and productive local economy.

3.4 Other benefits

There is a clear case for greater access to social and affordable housing with the benefits it brings: reduced risk of homelessness, diverse neighbourhoods, better functioning labour markets and human capital formation. There are also several other benefits:

Supporting ageing in place

As people progress through different life cycle stages and their family structures and financial situations change, so do their housing needs and preferences. Many people and households follow a traditional housing pathway – moving from renting in a share house as a young adult, to buying their first home with a partner, to moving to a large home to accommodate a new family, and to downsizing after retirement. However, there are also many households whose housing lifecycle doesn't fit this traditional pattern, and their number is increasing.

Providing houses of different sizes, tenures, prices and types across the municipality supports the individual choices of households to live in housing and in locations that suit them best at particular points in their life. Housing diversity allows people to stay in their communities if they choose, or to relocate to locations which better suit their changing lifestyle preferences.

The ability to remain living locally is particularly important for people as they age. Staying connected to neighbourhood and community is vital in supporting quality of life for older people and giving them more control over their circumstances.

City culture and branding

Research has found that places that maintain a reputation for diversity, multi-culturalism and tolerance are highly competitive in attracting business investment, managerial staff and knowledge workers, as well as tourism. The provision of housing to accommodate diverse communities is seen as crucially important in achieving this.

Supporting creativity and innovation

Opportunities for innovation and creativity (including the creation of new things and new types of work) are supported when a diverse mix of people, businesses and institutions are allowed to come together in one place.

Experience from the Netherlands has shown how a failure to provide diverse and affordable housing options within employment clusters can have negative consequences where higher housing prices and

long waiting lists for affordable housing options have restricted the entry of young starters and creative talent into the local housing market.

Community perceptions

There is also broad, increasing community support for government intervention to increase the supply of social and affordable housing. Social researcher Rebecca Huntley (2019) reports a growing community concern about housing affordability and consensus that more social and affordable housing is needed.

Given the benefits of affordable housing, the next question is “how much affordable housing is needed in Latrobe?” The next section explores this question in detail.

4. Housing in Latrobe

The population of Latrobe is forecast to grow significantly over the next 20 years. The projected growth presents a great opportunity for Latrobe to enhance the vibrancy of the local economy and cultural life of the regional City. Increasing the supply of social and affordable housing will be essential for ensuring the benefits of growth are shared equitably.

4.1 Growing Latrobe

Latrobe is growing. Between 2016 and 2020, the estimated resident population of Latrobe increased by 1.7 per cent. The pace of growth is forecast to continue, with an additional 7,280 new residents expected in Latrobe by 2036, from 75,915 in 2020 to 83,195 in 2036.¹

The continuing rise in Latrobe's population is in line with broader population trends, including immigration-driven growth at the state and national level, the increasing movement of rural populations into larger regional centres, the growing attractiveness of the 'tree change' lifestyle for city dwellers, and State government policy encouraging decentralisation of key services from metropolitan Melbourne.

Much of the recent population growth has been accommodated in Traralgon, followed by Moe – Newborough, Morwell and Churchill. These growth trends are consistent with the Settlement Hierarchy outlined in the Housing Strategy (2019), which establishes Traralgon, Moe-Newborough, Churchill and Morwell as forming a 'networked city'. Traralgon and Morwell are designated as the primary population centres where growth is promoted, followed by Moe – Newborough and Churchill which are supporting network towns where future growth is also promoted.

Future population growth is expected to be accommodated in greenfield areas (although the extent of greenfield areas is limited) and infill development in identified locations, particularly the Primary Activity Centres of Moe, Morwell, Churchill, Traralgon and the Mid Valley. Other areas, including district towns and small towns, will accommodate some limited growth. The Housing Strategy (2019) notes that new housing including social and affordable housing should be located close to existing community infrastructure and public transport services.

The growing residential population of Latrobe has formed the basis for the aim to reinforce and fulfil the municipality's role as Gippsland's only Regional City. Overall, Morwell and Traralgon are proposed to grow together to create a single Regional City centre, supported by Moe-Newborough and Churchill.

¹ Victorian Government (2019), *Victoria in Future*

Population changes and the impacts of COVID-19

The Federal Government’s Centre for Population Research released a population statement with updated projections in December 2020. It does not provide LGA level forecasts however it includes a forecast statement that with the collapse in net overseas migration because of COVID-19, regional or non-metropolitan Victoria would have 20,600 people less in 2030-31 than had been forecast without COVID-19. The lag impact for regional Victoria in the short term is shown in the figure below, however it also shows an up-tick in growth in 2019-20.

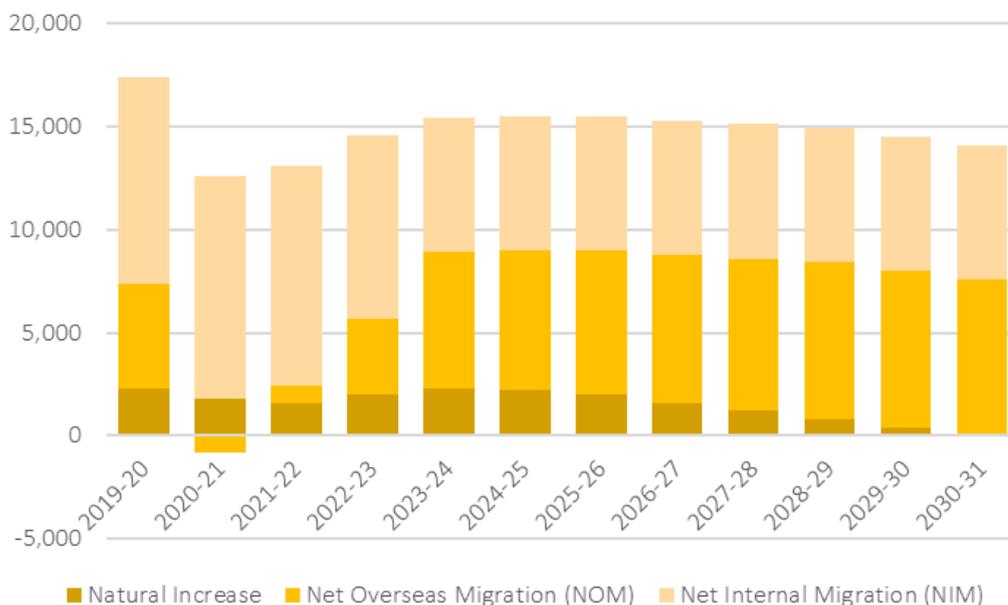
Regional Victoria benefitted from the net impact of changes in net internal migration patterns during Melbourne and Victoria’s extended lockdown, with fewer people leaving regional Victoria for metropolitan areas (rather than a significant increase in people moving to regional Victoria).

According to the Centre for Population Research in their ‘Migration between cities and regions – A quick guide to Covid Impacts’:

‘The largest fall in people moving to Melbourne came from regional Victoria, which had a 13 per cent drop in departures in the six months to September 2020. This drop in departures drove the record largest six-monthly net gain of people regional Victoria has experienced (8,600 people).’

It is expected that in the long term, this trend will not continue and growth in regional areas will return to the base case from pre-COVID years.

FIGURE 2 COMPONENTS OF POPULATION GROWTH IN REGIONAL VICTORIA POST COVID



Source: Centre for Population Research, Population Statement: Capital city and Rest-of-State Population Projections, 2019-20 to 2030-31, Commonwealth of Australia 2020, SGS calculations

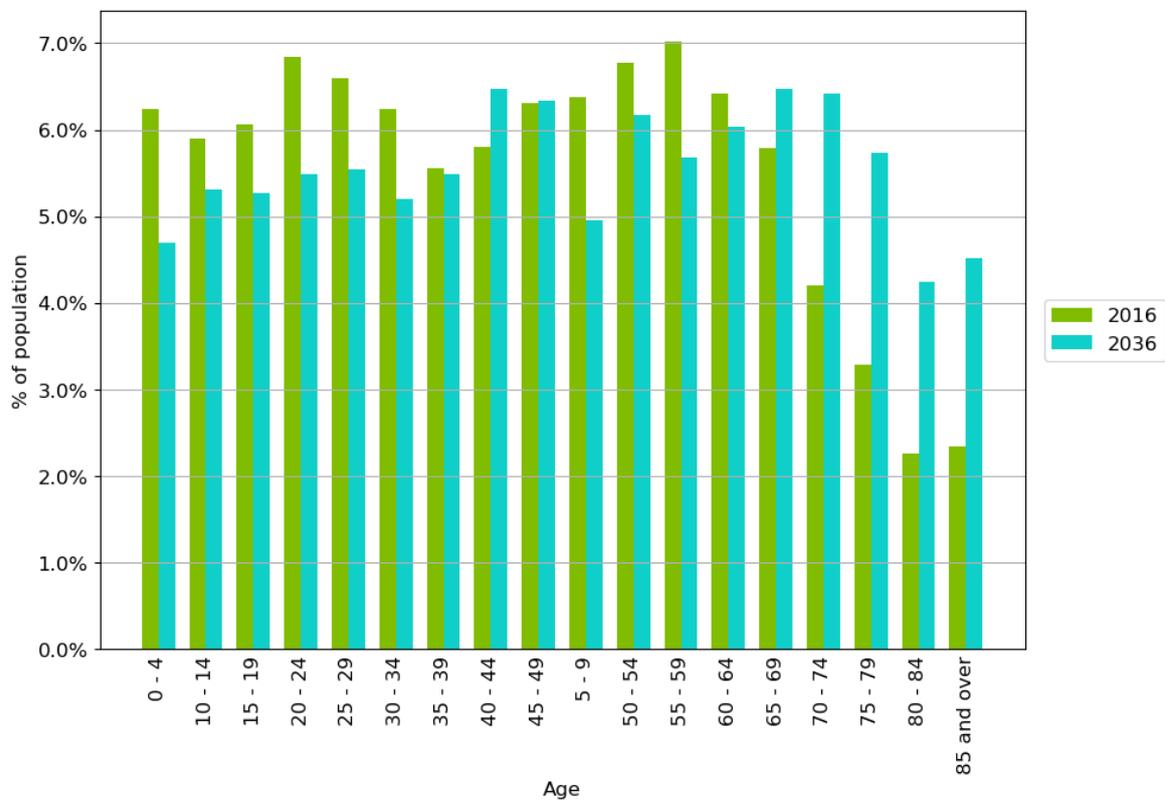
Since the inception of the COVID-19 pandemic in 2020, population growth in Latrobe City has been generally consistent with projected trends. ABS data for Estimated Residential Population shows a 0.48 per cent increase in population change in Latrobe LGA between 2019 and 2020. In comparison, the Victoria in Future (2019) data projected a 0.55 per cent increase. The small difference in estimates here

demonstrate that population growth has remained steady. However, it is noted that this analysis lacks available data for 2021, and the data may not fully account for people experiencing homelessness.

4.2 Changing Latrobe

Not only is Latrobe growing, but its population structure is also changing. Growth in the number of retirees (people aged over 65) is expected to be higher than that of all other age groups by 2036, increasing by 1.1 to 3.9 per cent per annum, with greater increases in the higher age brackets. This high rate of growth will see retirees increase from 18 per cent to 27 per cent of the total population by 2036. In contrast, the total share of high-school aged children and working age adults is expected to slightly decrease.

FIGURE 3 POPULATION BY AGE, LATROBE LGA, 2016 AND 2036



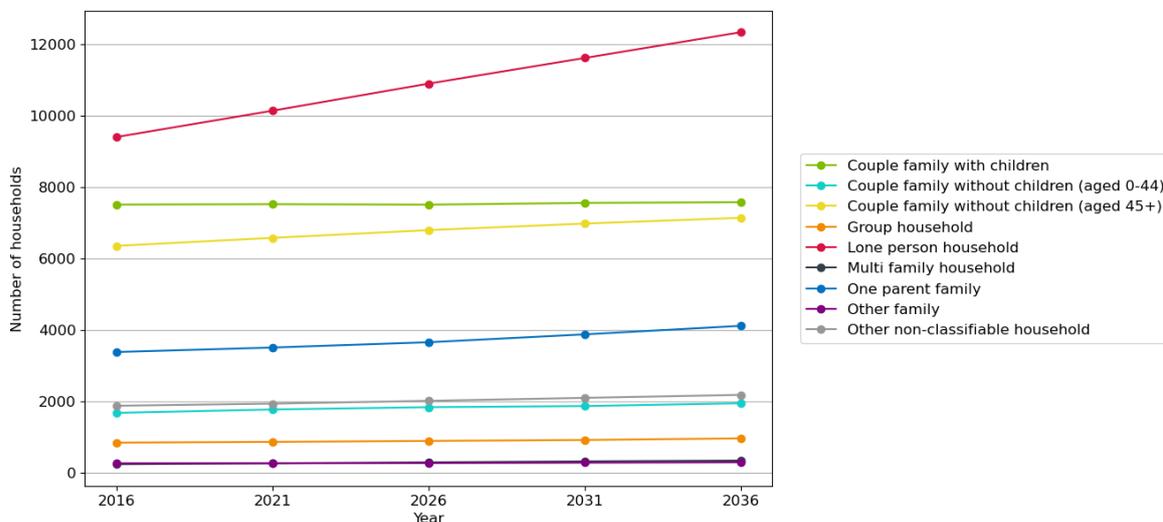
Source: SGS Economics & Planning 2021

The largest total growth in population by household type is forecast for lone person households (an increase of 2,938 households in Latrobe between 2016 and 2036). Multifamily households are expected to see the highest growth rate at an average of 1.8 per cent per annum. This is closely followed by lone person households and one parent family households.

Lone person households will continue to represent the largest total number of households in 2036, while the next largest, being couple family with children and couple family without children, are expected to remain more stable, with lower rates of growth of 0 to 0.8 per cent per annum.

These patterns of household growth are largely in line with broader demographic trends of an ageing population and changes to the ways that groups and families form households.

FIGURE 4 NUMBER OF HOUSEHOLD BY TYPE, LATROBE LGA, 2016-2036



Source: SGS Economics & Planning 2021

The above analysis of household trends does not account for people experiencing homelessness. The profile of homelessness in Latrobe City is characterised by a diversity of people with different needs, that includes women, children, men and young people aged 16 to 25. There are many factors contributing to these circumstances, with the leading cause in the Gippsland region being family violence (contributing to 60 per cent of homelessness cases locally).

Increasing unemployment rates since before the COVID-19 pandemic, with the pandemic exacerbating issues of rental unaffordability, domestic violence and homelessness. Consultation with registered housing authorities affirmed that there has been a significant influx in the intake of people needing housing support services and those relying on income support from Centrelink.

There is also reported increase in the number of people experiencing homelessness, particularly in the main urban areas of Latrobe.

4.3 Housing in Latrobe

Future housing demand

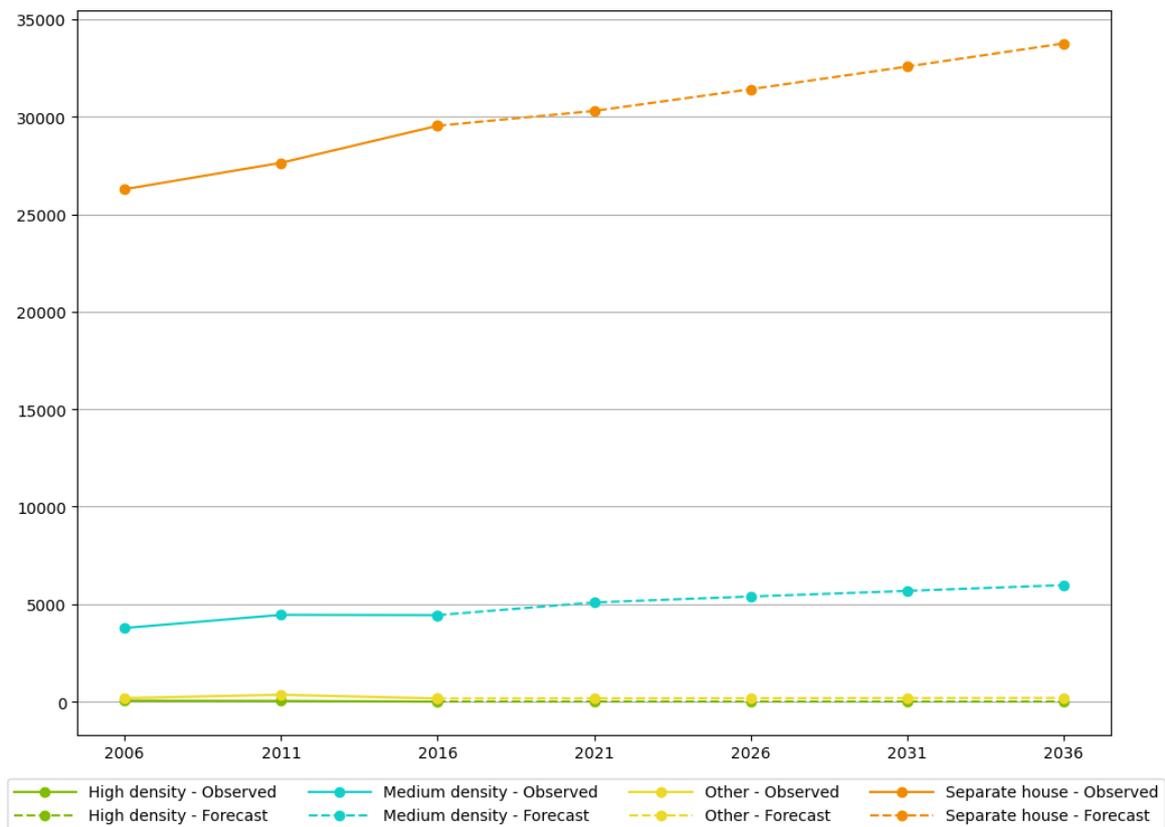
Latrobe City's growing and changing population means that approximately 5,795 additional dwellings are forecasted to be needed by 2036. Detached housing will continue to make up the highest number and percentage of dwelling types, while medium density housing (comprising flats, units, apartments under two storeys, semi-detached housing and townhouses) will have the highest growth rate at 1.5 per cent per annum. It is proposed in the Latrobe Housing Strategy (2019) that Traralgon will accommodate most of the growth, followed by Churchill and Moe.

Given the trend toward increasing numbers of lone person households and couple families without children, and the emerging popularity of apartments and units in Latrobe, there is likely to be increasing

demand for a greater diversity of housing in the future. Despite Latrobe City’s changing community, dwellings continue to be dominated by detached, three and four-bedroom housing, which is inconsistent with the emerging needs given the municipality’s changing demographics.

Previous analysis undertaken by Latrobe City indicates that medium density development is occurring “haphazardly” across the municipality. This type of housing is being constructed within established suburbs as opposed to being in proximity to activity centres and transport nodes. The 2019 Housing Strategy highlights these issues with an aim to provide increased direction in the future of land use planning for residential areas, to ensure housing is developed in an orderly and coordinated fashion.

FIGURE 5 DWELLING TYPE FORECASTS, LATROBE LGA, 2006-2036



Source: SGS Economics & Planning 2021

House prices

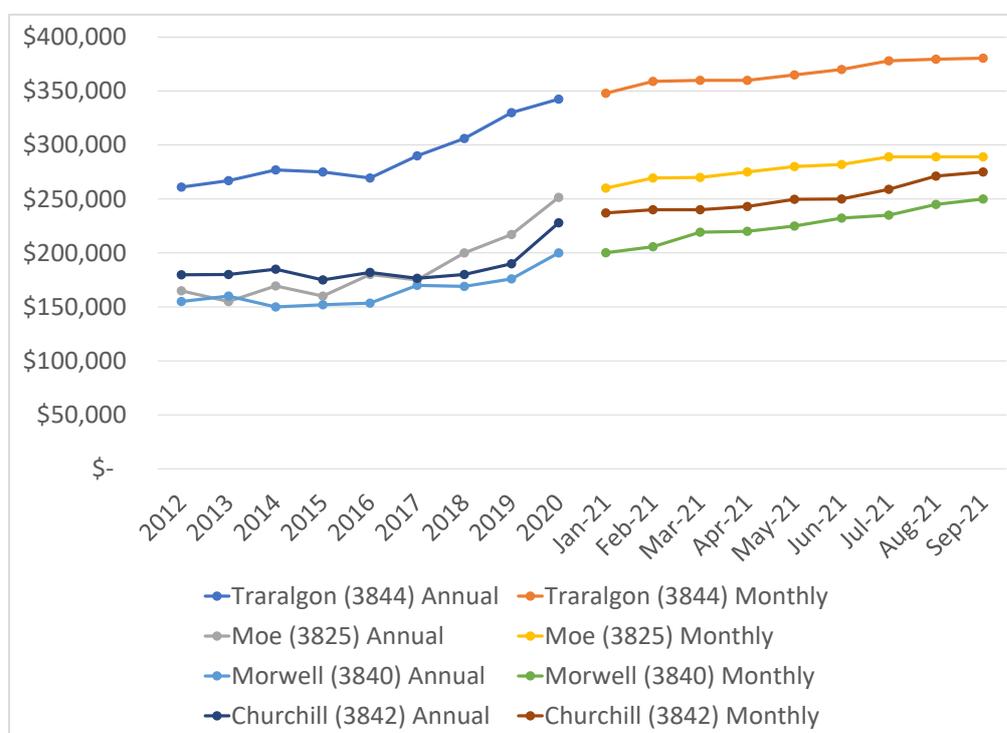
The Latrobe local government area (LGA) has been a relatively affordable place to live, particularly the major towns of Moe-Newborough, Morwell, Churchill and Traralgon where services and transport are concentrated. In the last four to five years house prices have grown significantly.

Median house prices in Latrobe increased at a rate of 3.7 per cent per year between 2005 and 2020, from \$145,000 to \$250,000. Median prices for units and apartments increased at a rate of 2 per cent, from \$137,000 and \$185,000. Meanwhile, growth in median weekly household income has generally kept pace, growing at 3.2 per cent between 2006 and 2016, from \$784 to \$1,078.

Recent data shows accelerating house prices in Latrobe’s main towns over the last year. From 2018 to September 2021, median house prices grew by 65 per cent in Moe, 47 per cent in Morwell, 56 per cent in Churchill and 31 per cent in Traralgon. While current median house values in Latrobe are lower than some other parts of regional Victoria, the change in values is comparable to elsewhere, and must be seen in context.

Increasing house prices has been exacerbated with Melbournians moving to regional Victoria. Investors are fueling rising house prices, with more than 5,500 investors recorded in 2020 within the Latrobe LGA that attracted the State Government’s land tax (State Revenue Office 2021). This places Latrobe’s property market as the busiest for investment outside of Melbourne. Consultation with real estate agents has affirmed that houses are selling faster than in recent years, with investors from Melbourne putting pressure on existing housing stock as they seek opportunities for regional living. However, it was also observed that there was a shift in housing preferences even before the pandemic, as the Latrobe area offers cheaper housing options relative to other areas, from retirees to family households interested in purchasing property in Latrobe City.

FIGURE 6: MEDIAN HOUSE PRICES – LATROBE CITY’S MAIN TOWNS



Source: SGS Economics and Planning using data on median sales from realestate.com

The share of dwellings in the municipality that were rented in 2016 was 26.4 per cent, and the share of dwellings owned either outright or with a mortgage was 70 per cent. This is an increase of 2.6 per cent of rented dwellings from the share in 2006, while the share of owned dwellings has seen almost no change.

The rapid growth in house prices means that home ownership is moving out of reach for more households, resulting in an increasing number of people choosing to continue renting rather than buying. Lower income residents unable to afford to purchase a home, transient residents with

temporary employment prospects, or new job seekers looking to ‘make a life’ in the region, will typically turn to the private rental market.

Rent prices

The private rental market in Latrobe City has been greatly impacted since the onset of the COVID-19 pandemic, arising from greater interest in regional living and experiences in response to rolling lockdowns in Melbourne. Metropolitan residents have bought into regional areas, seeking holiday homes or new permanent residential environments having realized working from home may be possible. These trends have fueled inflation in the housing market, including radically trimming the available long term rental stock (as it transfers to short term accommodation). Latrobe City ranks the seventh most disadvantaged municipality in Victoria on the SEIFA index and is undergoing economic restructuring (though with new prospects), resulting in depression of local wages.

Table 2 reports the figures on the regional Victorian ‘rental crisis’ and shows Latrobe in fourth place (at 13.8 per cent) on a list of Victorian LGAs with the highest annual change in median rents over the last year. Median house rent increased by 4 per cent in Morwell, 5.3 per cent in Newborough, 5.9 per cent in Churchill and 9.8 per cent in Moe, between 2019 and 2020 (Domain Rent Report, 2021). Within the Latrobe Valley, there has been a 34.46 per cent decrease in available affordable rentals between 2020 and 2021.²

These findings are supported by anecdotes from real estate agents based in the main urban areas of Latrobe City, who have observed extremely low vacancy rates for rentals, where there are approximately 20 applicants to each rental that goes up for lease. It is evident that people on low incomes or income support are struggling to find affordable rents as they are competing with people who are working, or workers who can work from home choosing to move to regional areas, which in turn places pressure on existing rental availability. Housing support services have also reported very low vacancies in rooming houses during the pandemic.

■ ² Source: One Gippsland, Affordable and Social Housing Policy Paper October 2021

TABLE 2: TOP TEN REGIONAL VICTORIAN RENT RISES

LGA	Weekly rent	Year over year	5-year
Alpine	\$440	25.70%	63%
South Gippsland	\$350	16.70%	34.60%
Wangaratta	\$370	15.60%	37%
Latrobe	\$370	13.80%	32.10%
Bass Coast	\$390	11.40%	39.30%
Warrnambool	\$400	11.10%	29%
Corangamite	\$310	9.70%	26.50%
Wellington	\$340	9.70%	23.60%
Strathbogie	\$350	9.40%	28.40%
Glenelg	\$360	9.10%	56.50%

Source: <https://www.domain.com.au/news/regional-victoria-headed-for-rental-crisis-as-melburnians-flood-the-market-domain-report-1044920/> Domain Rent Report, March quarter 2021.

Rent prices have been increasing even before the COVID-19 pandemic. Historical data on rent prices between 2006 and 2016 shows median rent in 2006 was \$120 per week and in 2016 the median weekly rent price had risen to \$200, an increase of 5.2 per cent per year. This pace of rental price growth is comparable with other major regional centres, as well as inner metro council areas including the City of Melbourne, where rental prices have risen at 5 per cent per year over the same period.

The rising rent price trends have impacts on residents in Latrobe City, particularly for people on low incomes and those reliant on welfare income, such as Jobseeker or the age pension. Response measures to the COVID-19 pandemic has had a disproportionate impact on renters (see box below), placing further pressures on households that are more likely to face housing insecurity. Various housing support services and real estate agents that were consulted have reported the impacts of housing unaffordability, which has exacerbated homelessness where emergency responses were required to place people in short-term accommodation such as motels, and placed pressure on other social services such as food banks. As well as a flooded rental market, it is reported that these trends have also occurred in a context where there are limited emergency accommodation services and no dedicated long term social housing services. As a result, there are increasingly fewer affordable housing options available for these groups, as is discussed further in the following section.

THE IMPACTS OF THE COVID-19 PANDEMIC ON THE HOUSING AFFORDABILITY CRISIS

The impacts of the COVID-19 global pandemic, beginning in 2020, have caused unprecedented shocks to the country's economy and housing market. Since then, the experiences of private renters across the country have been greatly impacted, with their employment, living environment, ability to pay rent and risk of eviction all being affected.

The Australian Institute of Health and Wellbeing (AIHW) (2021) finds that since the beginning of the pandemic:

- Just over 63 per cent of renters experienced changes to their employment, including reduced hours and/or income, reduced income and temporary lay-off.
- Around one-third experienced worse living circumstances including difficulty paying rent and/or bills.
- About 25 per cent of renters skipped meals to save money.
- Since the start of the pandemic, over 5 per cent reported that they had received an eviction notice.
- Around 17 per cent reported that their rent became unaffordable.

These findings demonstrate the extent to which the pandemic has exacerbated existing patterns of disadvantage. The data in this report is reflective of pre-pandemic estimations, and as such may represent an undercount of the need for social and affordable housing across Australia's escalating housing affordability crisis.

4.4 Measuring need for social and affordable housing

Rapidly rising rents are contributing to a growing number of renter households and families in Latrobe City that are experiencing rental stress.

The impact of rising housing costs on households can be measured in different ways. One of these is **housing stress**, which quantifies whether households are spending a high proportion of their income on housing. **Households are said to be in housing stress if they have moderate, low or very low incomes, and spend 30 per cent or more of their income on housing.**

The number of households in housing stress is measured to provide an estimate of how much social and affordable housing is needed. Most households in housing stress would require housing assistance to access housing at an affordable rate.

- Lower income households are more likely to require housing assistance.
- People in social housing or who are experiencing homelessness all require housing assistance.
- Only some people at moderate incomes in housing stress may need affordable housing.

WHAT IS RENTAL STRESS?

Rental stress is the situation where a moderate (or lower) income household's rental payments are so high that they must sacrifice on life's necessities such as food, health care, or education.

Moderate housing stress is when a household must spend more than **30 per cent** of their income on rent.

Severe housing stress is when a household must spend more than **50 per cent** of their income on rent.

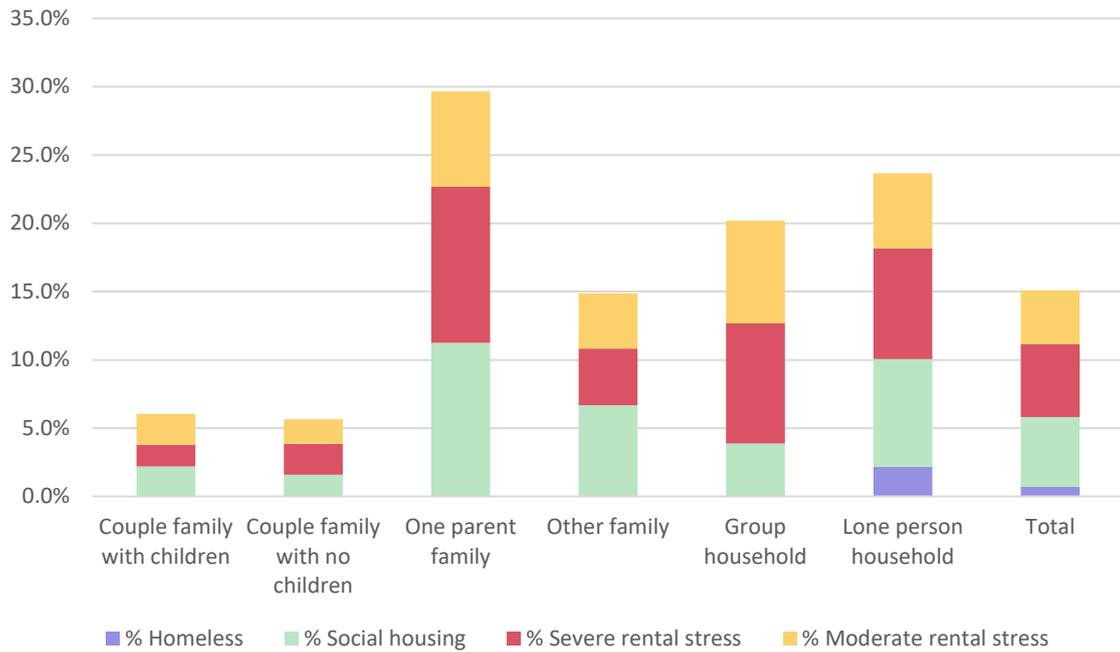
Affordable housing is appropriate for **very low, low and moderate-income households** in rental stress. It is not appropriate for high-income households because high housing costs are unlikely to impact their ability to pay for necessities.



High house prices and rising monthly mortgage repayments are likely contributing to an increasing number of households experiencing mortgage stress. However, addressing mortgage stress requires policy solutions that are typically outside of the control of local government. As a result, this report is primarily focused on rental stress in Latrobe, and as such it does not quantify the total extent of housing stress (rental and mortgage) across the municipality.

There are 4,882 households in Latrobe experiencing rental housing stress, representing 15 per cent of all households and 66 per cent of rented dwellings. Figure 7 shows the number of households experiencing severe and moderate housing stress, broken down by household type and income. It shows that almost 30 per cent of all one-parent families in Latrobe are experiencing housing stress, followed by almost 25 per cent of lone person households and 20 per cent of group households. Owing to this susceptibility to severe housing stress, these household types (one parent, lone person and group households) are also more likely to be in social housing than other household types.

FIGURE 7 HOUSEHOLDS EXPERIENCING RENTAL STRESS BY HOUSEHOLD TYPE, 2016

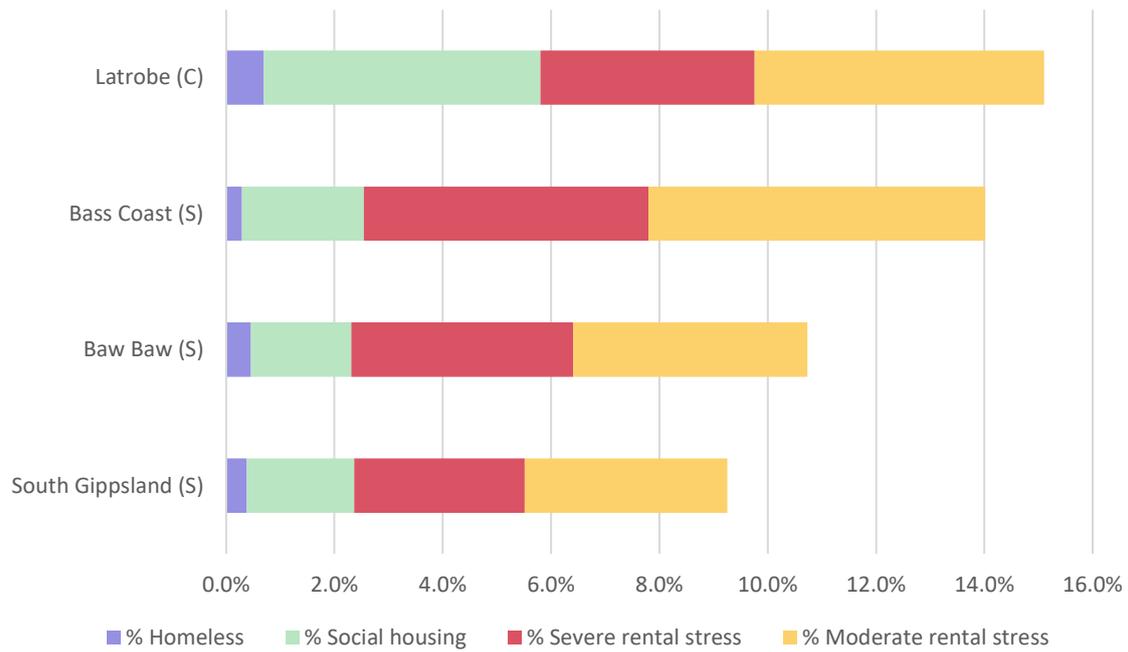


Source: SGS Economics & Planning 2021

There was an estimated 226 people experiencing homelessness in Latrobe in 2016 – that is 1 per cent of all households. The number of people experiencing homelessness is expected to rise to 295 persons by 2036. Homeless persons include people living in improvised dwellings, tents or sleeping out, as well as those in supported accommodation; temporarily staying with other households; living in boarding houses; persons in temporary lodgings; and persons living in severely crowded dwellings. It is worth noting that the ABS survey typically undercounts the prevalence of homelessness so the number may be higher than shown. However, recent anecdotal evidence reveals that emergency accommodation services have been at full capacity most nights, such as the Quantum Support Service in Morwell, and observed that the last 12 months have seen the sharpest increase in young people aged 16 to 25 experiencing homelessness in the Gippsland region.

Figure 8 shows that Latrobe has a higher level of housing stress than comparable Local Government areas.

FIGURE 8 HOUSING STRESS COMPARISON OF LATROBE AND SURROUNDING LGAS

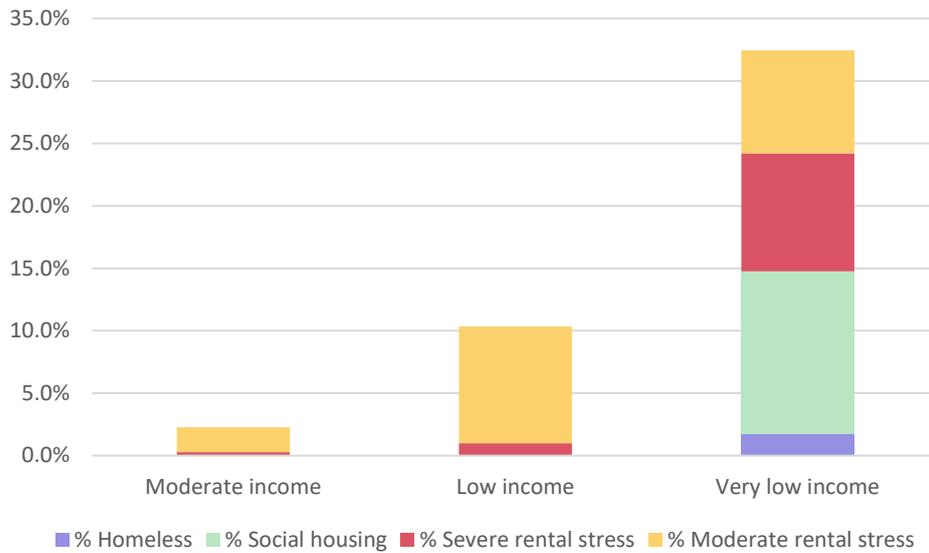


Source: SGS Economics & Planning 2021

The prevalence of rental stress is likely to increase as Latrobe’s population grows. Without any intervention, the number of households in rental stress could rise by 1,078, or 22 per cent by 2036.

In 2036, there could be 3,219 lone person households and 5,061 very low-income households in rental stress. Lone person households are also most at risk of severe housing stress. This is followed by one parent households.

FIGURE 9 HOUSING STRESS BY INCOME LEVEL, LATROBE LGA, 2016



Source: SGS Economics & Planning 2021

The number of households experiencing housing stress is used as a base to measure the level of need for social and affordable housing, with some adjustments.

There are some instances when households might be temporarily in stress (for example, following the birth of a child, when experiencing short term unemployment, or adjusting to the breakdown of a relationship) or when households might pay higher housing costs by choice (to live in a better house, better neighbourhood, locations where transport costs are lower, etc.).

‘Unformed’ households that are priced out of the market are also likely to be in evidence. These unformed households might include younger family members that would prefer to leave the parental home but cannot afford to, elderly family members that must live with other family members to have affordable accommodation, or multiple families occupying a single dwelling

In 2016, the estimated total need for housing assistance (social or affordable housing) in Latrobe was 4,882 dwellings. For 2036, SGS’s estimate of the total need for assistance, is 5,961 dwellings.

Those households most in need of assistance are eligible for placement in public housing. In Latrobe City, there are currently 1,651 social housing dwellings available, approximately 5 per cent of all households.’ Another 1,009 households are on the priority access and register of interest waiting to move and transfer to a social housing property in the Inner Gippsland region.

While Latrobe has a higher proportion of social housing dwellings than other regional cities, there remains a significant shortfall between the number of households requiring assistance and the number of available dwellings, a gap estimated currently at approximately 3,200.

If a relatively passive approach to investment in social housing is maintained, and the number of social housing dwellings in Latrobe remains stable, it can be expected that this gap in provision will increase to 4,300 by 2036. It is noted that the State Government is taking action through the Big Housing Build program, which allocates \$60 million worth of funding for social and affordable housing in Latrobe, however this funding will not be sufficient for the delivery of the required number of dwellings to meet

forecast demand when divided among the 5,961 social and affordable housing dwellings projected up to 2036.

To meet projected need for social and affordable housing, approximately three-quarters of the 5,795 total forecast dwelling demand in Latrobe City to 2036 would be required to be delivered as social and affordable housing.

5. Affordable Housing Contributions

Development contributions sought through planning fall within one of four frames. Of those, value capture and inclusionary requirements are appropriate for affordable housing contributions. Clear policy statements are required to implement these approaches in Latrobe City.

5.1 Four frames of development contributions

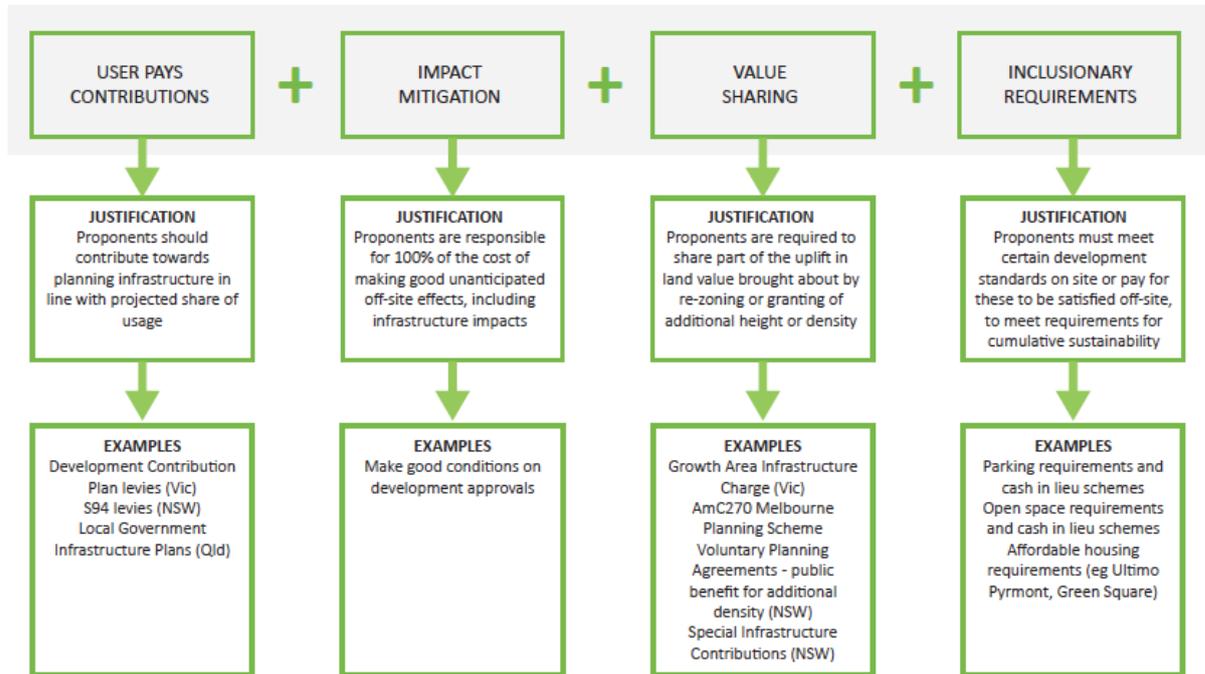
Council's most effective mechanism for addressing the need for social and affordable housing is to seek contributions through the planning system. There are different types, or frames, of development contributions that are routinely employed in the plan making and development assessment process that need to be considered.

Conceptually, any requirement for a development contribution will fall into one of four mutually exclusive and additive categories. These are:

- **User charges:** These are payments required of developers to help fund planned shared infrastructure which will be used by the development in question. A key principle is that developer should contribute in proportion to their expected share of use of the infrastructure items in question.
- **Impact fees:** Whereas user charges apply to planned infrastructure, impact fees apply when a development creates unanticipated demands on local infrastructure as a result of its particular design or timing.
- **Value sharing or value capture arrangements:** 'Value sharing' or value capture contributions capture part of the uplift in the unimproved land value that follows from an infrastructure investment, site rezoning or development approval which allows for a higher value or more intensive land use.
- **Inclusionary requirements:** Inclusionary requirements are about ensuring that successive developments meet community expectations in relation to liveability, efficiency and sustainability. Parking and open space requirements, or their cash-in-lieu equivalents for off-site provisions are examples.

An overview of the frames and the justification for each is shown in Figure 10. The justifications guide what contributions can be fairly sought under each frame. In crafting affordable housing contributions policies, Council should make explicit *why* the contribution is being sought, which will in turn inform *what* the contribution requirement is.

FIGURE 10: FOUR FRAMES OF DEVELOPMENT CONTRIBUTIONS



Source: SGS Economics and Planning

Of the four types, user charges and impact fees provide the weakest rationale for seeking contributions for affordable housing. It is difficult to conceive of affordable housing contributions as a user charge due to the lack of a clear nexus between new development and the demand for affordable housing. The impact mitigation frame is inadequate in that it can only be employed to compensate for a loss of existing affordable housing stock, rather than expanding the stock of affordable housing.³

Contributions to affordable housing contributions have a strong justification under the value capture and inclusionary requirement frames. Affordable housing is one of many possible public benefits to which the proceeds of value uplift can be directed. Affordable housing can also be seen to be part of the ‘must have’ attributes of place to ensure sustainable development, in much the same way as open space provision might be.

The following section provides further detail regarding the value capture approach, including explanation of the operation and implications of the State Government’s Windfall Gains Tax.

5.2 Affordable housing contributions from value capture

Rationale

Development contributions generated under value capture requirements are premised on efficient regulation of community sanctioned development rights. Regulation of land use through planning controls represents a form of restriction on market access necessitated by the objective of economic

³ Although, Council would be wise to seek impact mitigation fees if a development would result in the loss of affordable housing in a given development.

efficiency. The state deliberately and systematically rations access to ‘development rights’ via planning regulations to generate a net community benefit.

As occurs with other regulated markets – commercial fisheries, mineral exploitation, broadcasting bandwidth, etc. – it is appropriate to charge a licence fee for access to these regulated development rights. Licence fees in the context of the development assessment process can be paid by providing public benefits in return for development rights.

The value of development rights is capitalised into the price of the land. Land which is enabled for use as a major shopping centre is more valuable than land without this privileged access. Land enabled for a multi-storey apartment building will be worth more than the same land designated for a single household dwelling. Land zoned for mixed use residential will be more valuable than land designated for industrial uses.

The largest amounts of value uplift will generally be created when a site is rezoned from a low value use to a higher value use.⁴ The rezoning is an increase in development rights that should be shared with the community.

An important distinction is that the process captures the value uplift after developer’s costs are accounted for. This means that **value capture does not make development unfeasible**. The value that is captured is the difference between:

1. The **existing use value** of the site – this is without capital improvements and is distinct from the market value which factors in development potential.
2. The **residual land value** given the highest and best use possible with additional development rights (such as a new zoning) – this is the value of the land after all development costs and margins for profit and risk are deducted from their anticipated gross sales (or ‘gross realisation’) upon completion of the project.

As part of the Victorian Budget 2021/22, the Victorian Government announced its intent to implement the **Windfall Gains Tax (WGT)** which seeks to capture 50 per cent of the land value uplift from rezoning resulting in windfalls greater than \$500,000 with the levy sliding in from \$100,000.

The tax will apply to any change of zone, however there are some exclusions which are:

- Rezoning to Public Land Uses
- Rezoning to a Rural Zone, other than the Rural Living Zone
- To and from the Urban Growth Zone within the Growth Areas Infrastructure Charge Areas
- Residential land which includes a dwelling fit for occupancy at the time of the rezoning, with the exemption applying for up to two hectares of residential landholdings.

A movement between Schedules within a zone will not constitute a rezoning event for the purposes of the Windfall gains tax.

⁴ The other major opportunity is where land is already zoned for a given purpose, but the quantum of permissible development is subject to discretionary height or density limits. Proponents could have the option to acquire additional development capacity through the provision of a community benefit of commensurate value. However, this typically does not yield a large value uplift. It can also present a challenge to acceptable environmental or design envelopes, and risk raising the unfortunate expectation that affordable housing agreements might be met only by trading off other planning objectives and requirements.

Source: Department of Treasury and Finance (2021), Windfall Gains Tax Factsheet: <https://www.dtf.vic.gov.au/windfall-gains-tax>

Table 3 provides a summary of value captures rates in operation in different jurisdictions across Australia. It shows that value capture rates vary between 10 and 80 per cent. As noted above, the WGT targets only 50 per cent of the up lift in land value of subject site.

Council could theoretically seek to target a portion of the land value uplift remaining after the application of the WGT for the purposes of investing in social and affordable housing. It is appropriate that the value captured is a fixed proportion of the value uplift, which would be applied consistently to all rezoned sites.

A value capture rate of 25 per cent is feasible on the basis that the rate should be as high as possible whilst retaining an incentive for development. A rate of 50 per cent value capture rate would mean that (in conjunction with the WGT) the value of the land to a private developer is the same with its existing use or with the new development.

Given the current uncertainty regarding implementation of the WGT, Council may wish to adopt a ‘wait-and-see’ approach to furthering a local value capture policy.

TABLE 3: VALUE SHARING RATIOS

VALUE SHARING/ DEVELOPMENT LICENCING SCHEME	JURISDICTION	VALUE SHARING RATE
Growth Areas Infrastructure Charge	VIC	10-20%
Central Melbourne value uplift scheme	VIC	Approx. 80% of additional RLV above Floor Area Ratio of 18:1
Fishermans Bend	VIC	Approx. 80% + of additional RLV above benchmark dwelling density ratio
Hobsons Bay	VIC	Approx. 6% of total value uplift (5% dwellings to be provided as social and affordable supplied at a 25% discount to market price)
Lease Variation Charge	ACT	75% of total value uplift
Voluntary Planning Agreements	NSW	Typically, 50% of total value uplift

Source: SGS Economics and Planning

State Government has stated that proceeds from WGT will be used to fund “vital infrastructure such as public transport and schools”, however further clarity regarding how and where funds will be distributed has not yet been provided.⁵ Council could advocate for the proceeds of land value uplift in Latrobe be used for the purposes of meeting need for social and affordable housing in the municipality.

⁵ Victorian Government (2021), Windfall Gains Tax To Benefit The Victorian Community: <https://www.premier.vic.gov.au/windfall-gains-tax-benefit-victorian-community>

5.3 Affordable housing as an inclusionary requirement

Rationale

Inclusionary requirements are premised on the need to meet minimum acceptable standards of development. When used for affordable housing they are conceptually similar to parking requirements, open space standards, and other mandated planning standards. Like these other standards, contribution for affordable housing based on the inclusionary requirements rationale are justified on economic efficiency rather than redistributive grounds.⁶

Planning regulation is necessary in the first instance because the use and development of land generates externalities, both positive and negative.⁷ As noted in Section 3 the development of affordable housing generates external benefits in the form of socially valuable diverse neighbourhoods, better functioning labour markets and better human capital formation. Inclusionary requirements to include affordable housing in new development is used to generate positive externalities that would not eventuate without some form of regulation.

In the same way that individuals benefit from their own open space contributions as well as the contributions of everyone else in the community, they would also realise the external benefits of their own affordable housing contributions and those of the wider community. Conversely, a community without such inclusionary requirements could develop with otherwise poorer environmental and community outcomes. Through this lens, inclusionary zoning is properly understood as a means to improve land use that benefits the entire community rather than a redistributive tax that only benefits lower income households.

Setting the contribution amount

There are a few different ways to consider an appropriate affordable housing rate:

- A rate of 6 per cent has been recently applied to Fishermans Bend and is proposed in the Melbourne Planning Scheme Amendment C309 for West Melbourne.
- There is also precedent for a lower rate of 1.1 per cent for residential floorspace and 0.8 per cent of commercial floorspace has been in place in Ultimo Pyrmont and Green Square redevelopment areas of Sydney for up to 25 years.
- Council could target the rate of social housing in regional Victoria expected post-implementation of the Big Housing Build as an indication of the minimum community expectation of provision.
- As one of three tiers of government, Council could bear one third of the responsibility for social housing provision and meet one third of the local need (4.6 per cent is approximately one third of the estimated 14 per cent in need).

⁶ While it does have redistributive effects since most residents of affordable housing are low income households, this is not the justification from a planning policy perspective.

⁷ Externalities are uncompensated (or un-rewarded) impacts incurred by third parties as a result of market transactions. Land use and planning regulations apply to maximise positive externalities (for example, having sufficient communal open space) and minimise the negative externalities (for example, industrial noise pollution near residential land). Without regulations, individuals do not have an incentive to incur any costs to manage externalities because the external costs and benefits of an activity are realised by both the individuals involved in the activity and the broader community.

Each consideration has strengths and weaknesses. Precedents demonstrate acceptable rates but are also variable and somewhat arbitrary. Targeting the current rate of social housing runs the risk of providing insufficient dwellings for households in need given the current supply of social housing is manifestly inadequate in meeting demand.

In setting any inclusionary requirement, the rate could be initially set low – say 1 per cent – with scheduled increases each year to allow the market to adjust.

Each land use – residential, commercial, retail, industrial and institutional – would be obliged to contribute to maintenance of the identified environmental value of social mix. In the same way, all land use types are required to respect and conserve heritage values.

To maximise the effectiveness of a local inclusionary zoning policy, the requirement to contribute should apply to all types of development, regardless of scale and land use. The option of an equivalent cash contribution could be permitted for smaller developments, non-residential developments or where the location is unsuitable for affordable housing.

Cash-in-lieu schemes have been operated for the fulfilment of car parking requirements for decades in most jurisdictions and are currently standard practice for open space contributions. Cash contributions can be managed quite simply through a Council-owned trust which invests competitively in social housing.

5.4 Applying value capture and inclusionary zoning in tandem

Value capture and inclusionary zoning for affordable housing are conceptually separate and could be applied in tandem. This is the same as a developer making an affordable contribution on a rezoned site who would still need to make an open space contribution. If clearly and appropriately configured, such contributions should not provide an economic disincentive to develop land, nor will they increase the sales price of market dwellings or non-residential floor space.

The distinction between value capture and inclusionary zoning, whilst made clear here, is often blurred in policy discussions. For example, Infrastructure Victoria’s recommendation in its draft update to the *30-year Infrastructure Strategy* is a combination of both. It calls for inclusionary zoning for affordable housing “in places re-zoned for more intensive residential use”. If the rezoning and urban intensification is the justification for affordable housing contributions, this is a value capture mechanism and should be seen that way.

The limits on the tandem application of these two types of development contribution in the service of affordable housing outcomes lies not in conceptual inconsistency but in development economics. Developers are ‘price takers’ in the market, so any cost they incur will result in a lower land purchase cost passed back to the land owner. As long as both the contribution schemes do not reduce the value of land beneath its existing use value, the incentive to develop will remain.

5.5 Planning mechanisms

There is clear justification for using the planning system to support an increase in social and affordable housing. As described earlier, there is now a definition of affordable housing in the *Planning and Environment Act 1987* and an objective to “facilitate the provision of affordable housing”. As noted by

DELWP, this was intended to support the negotiation of affordable housing agreements between landowners and councils via Section 173 Agreements. However, recent failed negotiations show the changes have had limited actual effect.⁸ Clearly, stronger policy is needed to support affordable housing contributions through the planning scheme.

The planning scheme is the key tool through which Council can influence new development; strategies and policies that are not reflected in the planning scheme will have little if any weight in directing development outcomes. It therefore follows that if Council supports achieving more affordable housing, this should be expressed – and, ideally, given regulatory effect – through the planning scheme.

Historical practice in Victoria has generally not seen strong directive statements or requirements regarding affordable housing in planning schemes. This creates difficulties for councils in actually requiring private developers to provide affordable housing when approving planning permits. In the absence of clear policy support, councils have consistently struggled to defend requirements for affordable housing.

There are, however, some recent movements with the Amendments C270 (Central City), GC81 (Fishermans Bend) and C309 (proposed for West Melbourne) to the Melbourne Planning Scheme including a variety of value capture and inclusionary zoning approaches to affordable housing contributions. The Victorian Government Minister for Planning also established a Ministerial Advisory Committee on Planning Mechanisms for Affordable Housing in September 2019 to consider and provide advice to the Minister on possible models and options to facilitate the supply of affordable housing through the Victorian planning system, including inclusionary zoning and value capture mechanisms.

Council can support value capture and inclusionary zoning with three approaches to planning scheme amendments:

- Broad statements of support for affordable housing contributions
- Specific statements regarding approaches to ad-hoc rezoning
- Policy guidance regarding affordable housing contributions via inclusionary zoning

Broad statements of support in the planning scheme

The first option is to enhance the existing policy with a statement of in-principle support for provision for affordable housing (as opposed to general market-based housing affordability responses). An example of this kind of statement is at Clause 16.012L of the Moreland Planning Scheme, which has as a strategy:

“Encourage developments to include a proportion of affordable rental housing to be owned and managed by a registered Housing Association, Housing Provider or similar not for profit organisation.”

Such statements have value in clearly asserting the need to consider affordable housing issues in planning assessments and can plant a flag for further strategic work. There is precedent in other policy areas (notably Environmentally Sustainable Design) for quite sweeping statements of policy to gradually be given more weight over time as the prevailing thinking shifts within the industry.

⁸ For example, *Panorama Investment (Box Hill) Pty Ltd v Whitehorse CC* [2018] VCAT 1490.

The limitations of such statements, however, is that they will be of very limited value in supporting affordable housing requirements in contested situations. Their reliance, common in Victorian planning, on permissive rather than restrictive verbs (i.e. “encourage” not “require”) means that they cannot be relied upon to compel unwilling developers to provide affordable housing. This weakness is compounded by the lack of clear thresholds or guidance, which will raise questions of reasonableness in any given application.

In practice, such statements will therefore not be of much assistance in defending affordable housing requirements in contested situations. They are therefore of limited value in changing developer behaviour or on-the-ground outcomes.

Statements regarding approaches to ad-hoc rezoning

While the focus thus far has been on the role of local policy in guiding decision-making, local policy is also used to guide future amendments and strategic work. It may therefore be valuable to have statements in policy that support using value capture from rezoning processes to require affordable housing contributions.

Several councils have adopted policies setting out their expectations regarding affordable housing on rezoned sites or in major developments (see Breakout Box 2). There is no evidence of such approach being incorporated into the planning scheme, although this does not suggest that a policy within the scheme would not be technically possible now or in future.

Statements regarding approaches to contributions sought from rezonings could be as simple as a one-sentence strategy endorsing the pursuit of affordable housing contributions where land is re-zoned for housing. Ideally, however, they could also include guidance as to the levels of contribution that are expected, for example by identifying the rate of value capture to be contributed in a rezoning. Specific guidance would make the policy more useful than a simple in-principle statement.

BREAKOUT BOX 2: YARRA CITY COUNCIL – POLICY GUIDANCE NOTE ON AFFORDABLE HOUSING IN SIGNIFICANT REDEVELOPMENTS

Yarra has a Policy Guidance Note on Affordable Housing in Significant Redevelopments which sets out Council's expectation to negotiate at least 10 per cent affordable housing on rezoned sites that yield 50 or more dwellings. The note stipulates Council's preference is for developers to provide fully serviced land on site, at no cost to an affordable housing provider or Council. Furthermore, it explicitly states that: "developer must take affordable housing provision into account when negotiating the purchase of land. It is a principle of this guidance that affordable housing is not an abnormal development cost, even in situations where public subsidy is not available."

The policy does not stipulate that the affordable housing dwellings be gifted. It encourages developers to form partnership with RHAs and provides a list of RHAs with contact details. The policy also suggests that affordable housing provided on rezoned sites will: (i) meet identified local needs both initially and subsequently, once constructed and into the future; (ii) be affordable both initially and subsequently, once constructed and into the future; and (iii) be integrated with the market housing.

CARDINIA CITY COUNCIL – SOCIAL AND AFFORDABLE HOUSING STRATEGY AND ACTION PLAN 2018 – 2025

Cardinia has recently adopted a social and affordable housing strategy. A notable element of this strategy is a policy to facilitate the provision of 2 per cent affordable rental housing on developments or subdivisions over 100 lots, through dwellings to be gifted to a registered housing agency, via negotiated agreements. The 2 per cent contribution rate will apply between 2018 and 2021, increasing to 4 per cent in 2022, and then to 8 per cent in 2025.

The gifting approach is recommended to "ensure delivery, as opposed to a discounted sale arrangement that would depend on third party investment." The policy also notes that RHAs might be in a position to leverage these contributions to obtain grants or undertake borrowing that would allow them to secure additional affordable dwellings.

Policy guidance regarding contributions via inclusionary zoning

It is conceptually attractive to address housing affordability through policy specifying standard levels of contribution that should apply in regular planning permit processes. This would be akin to inclusionary zoning and apply to the development of all new floorspace throughout the municipality. Such policies would need to be included within the planning scheme if permit conditions or s173 agreement for affordable housing struck via an inclusionary zoning policy are to survive challenge.

Notwithstanding the clear policy rationale for their implementation, these approaches are somewhat untested and may face barriers to implementation from state government. Broad statements of support have been accepted by state government as permissible in schemes. Statements about ad-hoc rezoning are less orthodox and may face some barriers, while policy guidance in support of inclusionary zoning is likely to face considerable resistance.

6. Delivering social and affordable housing in Latrobe

There is a clear case for Council to act for greater affordable housing provision in Latrobe. Council's strategies and actions sit within the strategic framework of regulations, partnership, investment and advocacy.

6.1 A shared responsibility for delivering social and affordable housing

The previous sections have demonstrated the benefits of affordable housing and the need for greater affordable housing provision in Latrobe City.

The need for greater affordable housing is not isolated to Latrobe alone, nor is it Council's sole responsibility to address that need. There are many forces and institutions driving housing affordability outcomes in Latrobe and in other locations that are beyond the direct purview or influence of Council. These relate to general economic conditions, monetary policy settings, wages and the dynamics of the housing cycle.

Historically, the task of supplying social and affordable housing has been borne by the broad-based tax systems operated by federal and state governments. Changes in Victorian State Government policy in recent years, including amendments to the *Planning and Environment Act 1987*, have given local governments in Victoria power to play a larger role in the provision of affordable housing.

While the powers of local government remain limited, these developments strengthen the view that the large and increasing shortfall of affordable housing can be best addressed by action from all three tiers of government, in partnership with the private and community sectors.

In defining a potential target for Latrobe City in addressing need across the municipality, we can consider the benefits generated through adequate provision of social and affordable housing and the scope of responsibility of each level of government. As elaborated in Section 3 and summarised here, the benefits of social and affordable housing are threefold:

- To facilitate supply of essential workers and skills for the regional economy.
- Mitigating after-housing cost-poverty for low-income households.
- Creating better neighbourhoods by supporting diversity and inclusion in placemaking.

As the Commonwealth Government is responsible for social security, the poverty mitigation is within its scope. Similarly, the State Government has primary responsibility for spatial labour markets. The second benefit – maintaining local skills supply – therefore rests with the State. Responsibility for the third benefit to do with neighbourhood effects rests with developers and the planning system; that is, those involved in creating better places.

Taking each of the benefits to be of equal importance to the entire community of Latrobe - an approach not otherwise refuted in academic literature or government policy – would require that the Federal Government, the State Government and the development process and planning system each deliver one third of the overall measured need for social and affordable housing in Latrobe.

The following Strategy sets out strategies and actions under four pillars for Council to do this.

6.2 Council's role

Three tiers for Council action

Council can contribute to increasing the supply of social and affordable housing in several ways, which can be broadly grouped into “three tiers” of influence’. Each tier distinguished by the relative level of direct involvement and investment by Council. These include:

- **Tier 1:** Facilitating efficient housing markets
- **Tier 2:** Facilitating affordable housing supply
- **Tier 3:** Investing in affordable housing

The **first tier** relates to running an efficient planning and development control system so that the supply side of the market can respond as smoothly as possible to local demand. Tier 1 initiatives are primarily geared towards delivering improved housing diversity and overall affordability, rather than direct provision of social and affordable housing. Many of the actions contained within the *Live, Work, Latrobe Housing Strategy 2019* address Tier 1 considerations.

The **second tier** would see the Council going further in its policy efforts by facilitating local social and affordable housing supply. This could occur, for example, by brokering partnership deals between local providers and community-based groups. Council could also deploy to the full extent of whatever regulatory powers it has to induce social and affordable housing provision by others, including seeking contributions from developers through applicants for permits under the Planning and Environment Act or the rezoning of land. Activity under this tier would see Council take a strong advocacy position in favour of social and affordable housing backed by a well-articulated policy and strategy (such as that contained in this report).

Moving to the **third tier**, the Council itself becomes a direct agent of social and affordable housing supply, investing ratepayer funds and other assets (including land for example) to this end.

Policy levers

In executing action across the tiers for action defined above, Council has four primary policy levers available to it, these are:

- Regulation
- Partnership
- Investment
- Advocacy

<p>Regulation</p> <p>The ‘regulation’ group of interventions includes various mechanisms available to Council under the Planning and Environment Act 1987. For the purposes of this document, this includes planning system measures to facilitate efficient housing markets, and enabling instruments to facilitate development contributions for affordable housing via inclusionary zoning and value capture.</p>	<p>Partnership</p> <p>The ‘partnership’ group of interventions includes strategies by which Council would work with private or community sector proponents to help them achieve affordable and social housing outcomes. Examples include brokerage of partnerships between corporate developers and registered community housing providers where the former are self-motivated to include affordable housing in their projects. Council also has a role to play in providing useful information on the Community Housing Sector to developers and interested parties.</p>
<p>Investment</p> <p>The ‘investment’ group of interventions would see Council applying its own assets – whether this be cash, land or underwriting capacity – to directly generate an expansion of social and affordable housing.</p>	<p>Advocacy</p> <p>The ‘advocacy’ group of interventions would see Council, through its involvement in the Eastern Affordable Housing Alliance (EAHA), continue to advocate for the introduction of mandatory inclusionary zoning and the delivery of 11,420 new social housing dwellings in the Eastern Metropolitan Region. Through this platform, Council has an opportunity to collectively develop and voice its views alongside like-minded Councils.</p>

6.3 Action Plan

The following section sets out an action plan for addressing identified need that leverages the framework defined above and includes:

- **Objectives:** Clearly identifying *what* Council seeks to achieve.
- **Strategies:** Articulating *how* the objectives will be achieved with reference to the relevant levers and tiers of action as described in the section above.

Tier 1 opportunities - Facilitating efficient housing markets

Objective 1. Support housing diversity and choice through Council’s planning policies

Strategy 1. Continue to implement the Live, Work, Latrobe Housing Strategy 2019

Efficient housing markets contribute to the larger affordability picture. In an efficient housing market, the supply of housing can readily meet demand. In simple terms, this means that there are adequate opportunities for new housing, and that their type, location and price match the needs of new households that are forming, as well as existing households that require an alternative accommodation option.

An efficient housing market is more attractive for investment, as it is less risky and more likely to provide a return. It is also likely, in the long run, to reduce upwards pressure on the cost of housing that arises when demand outstrips supply or when new supply is mismatched with need.

Efficient housing markets deliver more affordable housing and a larger diversity of housing to match a range of needs. Councils can choose from several initiatives or improvements to facilitate market efficiencies, including planning system measures, infrastructure provision and information dissemination. In aggregate, these initiatives and/or improvements will have a significant impact on the efficiency of the local housing market and perceptions of risks and return on investment in Latrobe.

Efficient housing markets are not the focus of this Social and Affordable Housing Strategy. Instead, it recognises that Latrobe City has undertaken substantial work on the local housing market through its *Live Work Latrobe Housing Strategy (2019)*.

That document outlines strategies and actions to address key housing issues in Latrobe and to promote housing diversity. The Strategy includes the following visions:

“Latrobe City will provide a diverse range of housing opportunities and types to cater for its changing and growing population. Housing types will range from apartments to family homes to rural lifestyle properties, catering for differing needs, preferences and lifecycle choices. Areas of special character will be protected, while the general spaciousness of the residential areas, characteristic of regional cities and towns, will be respected. Higher density forms of housing will occur predominantly around locations with good access to activity centres and public transport.”

This vision is supported by two primary policy pillars:

- **Settlement Hierarchy** – Defines the role of different settlements and describes the relationships and interdependencies between localities.
- **Housing Framework** – Identifies the level of housing growth and change to be accommodated in residential areas.

The Housing Framework includes strong policy statements regarding preferred housing outcomes in areas defined as Substantial Change, Incremental Change, Limited Change and Minimal Change, including:

- Expectations regarding future growth and change.
- Preferred housing types, densities, tenures and locations.
- Public realm upgrades required to support anticipated development outcomes.

Realisation of these outcomes is supported by:

- **Residential Urban Design Guidelines** that have been prepared to provide best practice design and siting guidance for different dwelling typologies.
- **Schedules to residential zones** that are proposed to achieve specific preferred character outcomes where they apply.

Strategy 2. Progress preparation of background work for Infrastructure Needs Analysis

The provision of development and community infrastructure is essential for facilitating the supply of housing, with ambiguity regarding timing and responsibilities for delivery having implications for overall affordability. These assets include infrastructure that support growth, development and economic productivity in the municipality (such as roads, intersections, shared paths, bridges, drains), and infrastructure to support community health and wellbeing (such as public childcare, Maternal Child Health facilities, community halls and parks and gardens).

A shared characteristic of rural communities is the limited capacity of councils to invest in forward infrastructure to enable supply of additional housing. Council must work collaboratively with developers, other state government departments and agencies, and private sector organisations responsible for managing other major infrastructure assets to plan, deliver and maintain Latrobe City's diverse infrastructure base to support growth.

To ensure that infrastructure is provided in a manner that is targeted, efficient and provides clear signals to the private sector about development outcomes, an Infrastructure Plan should be prepared to align infrastructure planning and delivery with preferred locations and staging of growth and development.

Council's four-year Business Plan has identified the "scoping and preparation of background work for an infrastructure needs analysis (including social infrastructure needs analysis)" for delivery in the 2024 to 2025 financial year.

Strategy 3. Identify and seek to resolve barriers to the delivery of diverse housing product

The *Live, Work, Latrobe Housing Strategy 2019* provides strong policy support for the delivery of diverse housing product in identified locations, including apartments, shop top housing, townhouses, units, dual occupancies, age care facilities and disability housing. As noted above, this policy is supported by guidance regarding preferred built form outcomes.

Realization of these diverse housing forms is by-and-large reliant on the private development sector (whether that be local "mum-and-dad" developers or larger corporate developers). While policy provides an important signal to market regarding preferred housing product and forms, there is need to identify and seek to resolve barriers that may be unduly limiting the realisation of housing diversity.

The development process is complex, taking into consideration a range of factors when determining the feasibility of a project. The "developers' equation" considers market demand and supply, planning regulations, cost of materials, taxes and charges, availability of labour, land costs, finance and professional fees.

Council has limited capacity to influence many of these factors, however, can undertake the following actions to smooth the process and reduce uncertainty for developers (and associated financial risk) as much as possible:

- **Undertake detailed industry engagement** to understand existing barriers to delivery of smaller and diverse housing product.
- **Review of statutory planning processes** to ensure there are no undue hurdles to development arising from the development assessment process and ensuring the system is as certain, efficient and least costly as possible.

- **Demonstrate demand for and feasibility of diverse housing types:** Smaller developers typically have limited capacity to undertake detailed market research regarding demand for and feasibility of new housing products. It is within the purview of industry associations to undertake research such as this, however there may be a role for Council in funding or commissioning analysis of local industry trends. A communications and engagement program would be required to support dissemination and impact of this research.
- **Establish service areas/ personnel within Council:** Establish a service targeted at facilitating infill and downsizing. At the simplest level, this could involve inclusion of service tasks in job description and performance criteria of position description of nominated staff member.

Strategy 4. Improve development and management outcomes for Rooming Houses

Rooming houses are defined within the *Residential Tenancies Act 1997* as a building in which rooms are available for rent to four or more people. Rooming houses are managed by rooming house operators, and individual residential usually have separate agreements with the operator. Operators may live on site but more commonly do not.

The use and development of land for rooming houses is governed by several laws and regulations. These are:

- *Planning and Environment Act 1987*
- *Building Act 1993 and Building Regulations 2018*
- *Residential Tenancies Act 1997 and Residential Tenancies Regulation 2021*
- *Rooming House Operators Act 2016*
- *Public Health and Wellbeing Act 2008*
- *Environment Protection Act 1970*
- *Local Government Act 2020* and Council Local Laws

Council recognises the role of rooming houses in contributing to housing diversity and affordability.

However, Latrobe residents have expressed concern regarding the development and operation of rooming houses in the municipality. These concerns relate to location, design, impact on amenity, as well as whether they have been effective in providing affordable housing.

Applications to use existing buildings for rooming houses are subject to a planning permit assessment, except when exempted under Clause 52.23-2 of Latrobe Planning Scheme where all the following requirements are met:

- The total floor area of all buildings on the land, measured from the outside of external walls or the centre of party walls, does not exceed 300 square metres, excluding outbuildings.
- No more than 12 persons are accommodated.
- No more than 9 bedrooms are provided

Clause 52.23-3 also allows the construction of new buildings for rooming houses if:

- No more than 9 bedrooms are developed on the land.

- Bedrooms can only be accessed from within the building.
- The total floor area of all buildings on the land, measured from the outside of external walls or the centre of party walls, does not exceed 300 square metres, excluding outbuildings.
- Garden areas are provided in accordance with the minimum garden area requirement specified in the zone (for the General Residential and Neighbourhood Residential Zones).
- Shared entry facilities and common areas, including a kitchen and living area, are provided.

These exemptions facilitate the establishment of small rooming houses, especially where occurring in existing buildings, as they may not need a planning permit. Such facilitation has potential advantages in streamlining supply of new affordable housing, by removing administrative steps and eliminating the opportunity for objections to a sometimes-stigmatised mode of housing.

The challenge posed by these exemptions, however, is that an important mode of management of these small rooming houses – planning permit conditions - is lost. Despite the regulatory regimes identified above, in practice planning permit conditions are likely to be the most direct method available to council to ensure appropriate management of rooming houses. There are risks associated with the lack of planning control for rooming houses, where this results in poor management, including poor conditions for residents and off-site amenity impacts for neighbours. These problems may entrench community opposition to an important mode of housing.

Ultimately, however, the appropriateness of these exemptions is largely moot, as these exemptions are applied by State government and cannot be altered by council.

Rooming houses that do not meet the above exemptions – for example because of their size – will need planning permission and therefore can be controlled through planning permit conditions. Currently there is little guidance in either state or local planning policy around the assessment of such applications. This reduces clarity about outcomes for both operators and the broader community.

Further work is required to explore in detail the issues relating to rooming houses in Latrobe, and understand preferred outcomes relating to design, neighbourhood character and site management.

Possible avenues to support improved outcomes for rooming houses include:

- The preparation of a Local Planning Policy for insertion into the Planning Policy Framework to guide planning assessments where they are required. Such a policy may outline the following:
 - Community objectives regarding development of rooming houses in Latrobe.
 - Requirement for the preparation of a Management Plan detailing how expectations for the proper and appropriate use of the rooming house facility will be met, such as:
 - Details of the terms of accommodation and appropriate occupancy rates.
 - Specifications regarding the use and management of car parking spaces.
 - Details regarding maintenance of buildings and grounds, including all landscaped areas.
 - Requirement for the preparation of a Waste Management Plan.
 - Prescriptions regarding communal spaces, including for self-contained and non-self-contained bedrooms/units.
 - Identification of supported locations for rooming houses.

- Examination of impacts of rooming houses on vehicle movement and congestions, and consideration of variations to requirements for bicycle facilities and car parking.
- Design guidelines explicitly outlining minimum design standards as a benchmark for developers to build upon, which need to be adaptable to different types of building typologies. Design Guidelines could incorporate a maximum occupancy requirement into design standards as well as floor-area requirements to discourage overcrowding.
- Preparation of a range of standard permit conditions to avoid Section 173 Agreements and ensure land use management requirements are ongoing and enforceable.
- Development of Assessment Guidelines to support Council officers in assessing planning permit applications for rooming houses.

While such policy could assist in clarifying the approach to such applications, caution would need to be exercised to ensure that the requirements did not become too onerous. This could discourage provisions of such housing or create an incentive for operators to focus only on the smaller models facilitated by Clause 52.23, which would be entirely beyond council's power to control through planning permits.

Objective 2. Assist marginalised households to transition into the private rental market

Strategy 5. Foster partnerships to assist 'rental ready' marginalised households to enter, or transition from public or community housing to the private rental market

The formation of a partnership group, including Council officers, social and community housing providers, landlords and real estate agents could assist in developing a program of financial and personal support for those entering the private housing market.

While not strictly related to regulatory efficiency from a planning or housing supply perspective, action to address this problem could be seen as a Tier 1 response in that it is addressing market efficiency in housing allocations. There would be less pressure on social, affordable and crisis housing services if 'rental ready' households were assisted to access the private rental market.

The partnership could also be tasked with identifying mechanisms to incentivise or support landlords to make their properties available to lower income tenants.

Tier 2 opportunities - Facilitating affordable housing supply

Objective 3. Adopt a relationship building, information sharing and brokerage role between the development and affordable housing sector

Strategy 6. Publish information on the Community Housing Sector for developers and provide a single point of contact at Council for enquiries

Partnership brokering is the process of supporting and strengthening partnerships between different parties through networking events, collaborative platforms, and skilled management and development of collaborative processes and projects.

Council can play a role in brokering joint ventures and partnerships between developers, Registered Housing Associations, other housing providers and Department Health and Human Services (DHHS). A brokerage role relies on Council identifying and formulating working relationships with the agencies active in the area. Council can play an introductory role, while also disseminating appropriate information on the sector to developers and providing a point of contact.

In assisting this process, Council should publish information on the Community Housing Sector for developers and provide a single point of contact at Council for enquiries.

Objective 4. Engage with and educate the community on social and affordable housing as important local infrastructure

Strategy 7. Develop a program to inform the community on the need for and benefits of social and affordable housing

Engaging and educating the community on the need for and benefits of social and affordable housing is a priority as community opposition to new development proposals can pose risks for development and is a deterrent for delivering innovative housing product.

A vocal and engaged community is one of Latrobe City's greatest assets. Community education around the current housing challenges faced by the City, possible solutions and the significant benefits of action will assist in the realisation of new housing that meets need while also fitting comfortably with the valued character of the City.

Community education will contribute to achieving sustainable outcomes for Latrobe in the medium to long term. This could come in the form of consultation focussed on this strategy, consultation about the potential on specific development sites or in specific precincts or a Council-wide campaign about affordable housing.

Specific activities may include:

- **Publishing of positive stories** about social and affordable housing in Council newsletters, annual reports, etc. This could include research and documentation of success stories about how secure housing has assisted individuals in furthering their personal goals and contributions to the community.
- Council could establish a **dedicated webpage** with key information about implementation and outcomes of this Strategy, as well as the broader benefits of social and affordable housing.

Objective 5. Advocate to State and Federal Government for further action to increase the supply of social and affordable housing across the state

Strategy 8. Prepare a program of advocacy to State and Federal Government for continuing and increased action to address social and affordable housing needs across the state.

As has been discussed, responsibility for increasing the supply of social and affordable housing is shared across the three tiers of government.

The Victorian Government has recently responded to worsening housing affordability with its \$5.3bn Big Housing Build program. This represents the largest ever investment in social and affordable housing by State Government, however, is not enough meet all need.

The policy environment regarding social and affordable housing is in flux and there exists potential for Council, through individual and collective action, to advocate for strengthened policy and practical implementation pathways for increasing the stock of social and affordable housing. These are:

- Advocating to Homes Victoria regarding **preferred outcomes of Big Housing Build investment** in Latrobe. This includes Council advice regarding suitable sites/ locations for investment in social and affordable housing (as has been identified through preparation of the *Interim Social and Affordable Housing Policy 2021*), and preferred outcomes regarding densities/ concentrations of public housing (for example, setting a maximum threshold for social and affordable housing both within single developments, and across precincts/ towns).
- **Further direct government investment** whereby both the Victorian and Commonwealth Governments use tax revenue and borrowing to fund expansion of government-owned social and affordable housing.
- **Provision of grants by Victorian and Commonwealth Governments to investors** to bridge the 'return gap' between market rents and rents that are affordable to moderate- and lower-income households. The National Rental Affordability Scheme (NRAS), initiated by the Commonwealth following the global financial crisis, is an example of this type of funding arrangement.
- Siloing of funds collected from uplift in land value in Latrobe City through the operation of the recently announced **Windfall Gains Tax** for investment in social and affordable housing stock (i.e for funds collected locally to be spent locally).
- Support for the findings of the **Ministerial Advisory Committee on Planning Mechanisms** for Affordable Housing, particularly the reconsideration of the current voluntary framework for affordable housing and a move towards a more consistent and uniform approach to support affordable housing development, such as **inclusionary requirements**.

Objective 6. Establish strong and broad policy statements about the need for affordable housing in Latrobe

Strategy 9. Seek a planning scheme amendment to include a strong statement of support for affordable housing contributions in Latrobe.

Council should seek to include a statement of in-principle support for provision for affordable housing (as opposed to general market-based housing affordability responses) in the Latrobe Planning Scheme.

Such statements have value in clearly asserting the need to consider affordable housing issues in planning assessments and can plant a flag for further strategic work. There is precedent in other policy areas (notably Environmentally Sustainable Design) for quite sweeping statements of policy to gradually be given more weight over time as the prevailing thinking shifts within the industry.

Objective 7. Implement Council-wide inclusionary requirements for affordable housing

Strategy 10. Develop Council policy and approach to inclusionary requirements for affordable housing

Inclusionary provisions are premised on minimum acceptable standards of development. When used for affordable housing they are conceptually similar to parking, open space and other mandated planning standards in urban development and, like these other standards, are justified on economic efficiency rather than redistributive grounds.

The development of social and affordable housing generates external benefits in the form of socially valuable diverse neighbourhoods, better functioning labour markets and better human capital formation. Inclusionary zoning is used to maximise these positive externalities that developers would not otherwise have an incentive to create.

Value capture and inclusionary requirements are mutually exclusive (as discussed in Section 5.4, and as such can operate in tandem).

As with the approach to value capture, any inclusionary zoning policy should be supported by a policy in the Latrobe Planning Scheme. This will give the policy more weight if subject to challenge at the tribunal. Specifying the recommended rate will ensure the greatest chances of success.

Objective 8. Assess potential to seek an affordable housing contribution when land is being rezoned

Strategy 11. Consider potential to develop policy and approach to value sharing for ad hoc rezoning proposals following implementation of the Windfall Gains Tax

As already described, significant uplift in land values can be created when a site is rezoned from a low value use to a higher value use. The rezoning is an increase in development rights and potential value, that should be shared with the community.

As discussed in Section 5, the Victorian Government has announced its intent to implement the **Windfall Gains Tax (WGT)** as part of the Victorian Budget 2021/22, which seeks to capture 50 per cent of the land value uplift from rezoning resulting in windfalls greater than \$500,000.

While there remains some uncertainty about the operation of the WGT, Council could theoretically seek to target a portion of the land value uplift remaining after the application of the WGT for the purposes of investing in social and affordable housing.

Council may wish to apply any future policy only to rezoning types (for example, from industrial/non-residential to residential or from low density to high density residential in established urban areas) to maximise prospects for important new housing supply in greenfield areas.

Any adopted approach should be supported by a policy in the Latrobe Planning Scheme, specifying the recommended rate which will ensure the greatest chances of success.

Objective 9. Establish processes to support affordable housing contributions

Strategy 12. Establish an appropriate mechanism to receive cash in-lieu affordable housing contributions

Where developments are small, there may be insufficient value uplift (in a rezoning scenario) or insufficient floorspace to deliver whole affordable housing dwellings. Council should not forego the value of these smaller contributions. Council should establish a mechanism to collect cash in-lieu contributions that can be aggregated to deliver affordable housing developments in the municipality.

Strategy 13. Establish an Expression of Interest (EOI) process (or alternative) to disburse funds collected through inclusionary requirements to Community Housing Providers

Funds collected should be disbursed to Community Housing Providers via a competitive EOI process to yield the highest number of affordable housing dwellings and achieve other objectives, such as:

- **Tenant mix:** Council could reserve a role in tenant selection through the EOI process. Housing stress in Latrobe City is widespread, so it is difficult and potentially unfair to distinguish between groups or households in particular need, or those more 'worthy' than others. The Government's waiting list is typically the first reference point for allocating housing. However, if Council decided that aged persons were a priority then RHAs with a special expertise in this tenant cohort might be more interested than others serving a different or wider tenant profile. As a minimum Council could require tenants chosen from the waiting list to demonstrate a local connection (e.g. through family history or other connections).
- **Housing model:** Council could stipulate through an EOI process preferred outcomes relating to the housing model. This could include stipulations around tenure mix and type, management models, and the degree and duration of rental subsidy.
- **Other objectives,** relating to for example open space provision, urban form, related land uses and design.

Any procurement must follow the public tender requirements in the *Local Government Act 2020*. This means that the EOI must provide:

- **Value for money:** the highest possible affordable housing yield from the available land, balanced with other planning objectives.
- **Open and fair competition:** multiple proponents are approached, ideally through an open tender, each with the same access to information and treatment.
- **Accountability:** staff responsibility for actions and decisions.
- **Risk management:** relevant risks are identified and managed appropriately, particularly around proponent experience in the affordable housing provision (recommended involvement of a Registered Housing Association as a requirement).
- **Probity and transparency:** appropriately governed procurement process in accordance with Council policies

- **Social Value:** use of strategic procurement practices to generate wider public benefits beyond the core products and services purchased.

There may be some ambiguity when assessing the affordable housing contributions that proponents put forward in their submissions. It is difficult to assess the relative value of affordable housing for lower-middle income households (generally 80 per cent of market rent) versus social housing (generally for households in greatest need). Likewise, it is difficult to assess a time-limited proposal (affordable housing dwellings for 10 years versus 20 years versus perpetuity). To cover risk and ensure social value, Council should preference proposals with dwellings that:

- Are transferred fully to Registered Housing Associations at no cost – the regulation of the sector means that Council can rely on State Government regulators to ensure that quality affordable housing is delivered in the municipality.
- Have a covenant to remain affordable housing for a minimum of 20 years – while an indefinite covenant might seem preferential, it can also limit the borrowing capacity of Registered Housing Associations and may reduce the contributions. Therefore, a 20-year minimum is a more effective requirement.

Objective 10. Council to demonstrate preferred outcomes for diverse and affordable housing

Strategy 14. Provide appropriate direction regarding preferred locations for social and affordable housing

Encouraging the location of social and affordable housing close to activity centres and key transport connections supports improved outcomes for residents, such as enhanced access to health and social services, jobs, education and training and community facilities.

The *Interim Social and Affordable Housing Policy* (2021) identifies preferred locations for social and affordable housing, defined as:

- Locations within 400 metres walking distance of a bus stop that is serviced, at minimum, every hour during daylight hours or within 800 metres walking distance of a train station.
- Locations within 200 metres walking distance of a performing Neighbourhood or Local Activity Centre, or within 800 metres of a Primary Activity Centre.

Locations outside of the preferred social and affordable housing areas but within the extent of urban area (as shown on maps contained in Appendix A) will be supported where it is demonstrated that:

- Accessibility by walking or public transport will be satisfactory either now or in the future by reference to known or proposed plans for infrastructure and service expansion and delivery, and/or
- The proposal will have a significant impact on addressing identified local housing stress and acute housing needs.

This policy will be implemented into the Latrobe Planning Scheme via a planning scheme amendment and will support the assessment of applications made under 53.20.

See Appendix A for the maps.

Strategy 15. Engage with the State Government regarding preferred locations and development outcomes in Latrobe from investment via the Big Housing Build

The Big Housing Build (BHB) will work with the community housing sector to launch the “Social Housing Growth Fund” for housing projects led by community housing providers, resulting in up to 4,200 new homes.

It is this phase of the BHB and for the remainder of the program where Homes Victoria aims to explore opportunities to build on surplus government-owned land and other sites which come up through collaboration with industry, community housing providers and Local Government.

This process offers an opportunity for Local Government partners to advocate for the provision of State government social and affordable housing, by presenting a complete and convincing evidence-based narrative which describes and quantifies local need for social and affordable housing and outlining favoured outcomes for BHB investment.

The recently adopted Interim *Social and Affordable Housing Policy 2021* provides clear direction as to preferred locations for social and affordable housing across the municipality (refer to Appendix A for associated maps). Council should seek to engage with State Government regarding:

- Desired maximum densities of social and affordable housing within developments (i.e. “salt-and-pepper” developments) and across precincts.
- Outcomes relating to built form design, open space provision, and public realm improvements, for example.

Tier 3 opportunities - Investing in affordable housing

Objective 11. Leverage Council-owned land

Strategy 16. Engage with Community Housing Providers regarding disposal of excess Council land assets

Land that is currently in public or community ownership presents a unique opportunity for affordable housing. Council has recently undertaken an audit of Council-owned land, where a number of under-utilised or excess sites that could be devoted to or used in the provision of social and affordable housing were identified.

To consider the lease or disposal of Council land, the Expression of Interest process must be undertaken as per the *Local Government Act 2020*. Council will then consider delivery models proposed by the Department of Families, Fairness and Housing, Homes Victoria or Registered Housing Associations (or the private sector in partnership with any of these). Considerations can include tenure mix, requirements for tenants from the waiting list to be able to demonstrate a local connection, design and built form, etc.

This process will need to evolve following the eventual signing of the Housing Compact being prepared by Homes Victoria and will be subject to further Council consideration on a site and proposal specific basis as per Council processes and processes specified under the *Local Government Act 2020*.

6.4 Summary and priorities

This Social and Affordable Housing Strategy outlines 16 actions for improving housing outcomes in Latrobe City. Four priority actions are listed below. These actions represent those that will have the greatest impact on housing outcomes in the City, and which are readily implementable.

Strategy 8: Prepare a program of advocacy to State and Federal Government for continuing and increased action to address need across the state.

The policy environment relating to social and affordable housing in Victoria is in flux. Recent changes to the *Planning and Environment Act 1987*, State Government investment in the Big Housing Build, as well as ongoing consideration of the Ministerial Advisory Committee on Planning Mechanisms signal recognition by the State Government of the importance of providing affordable housing. Council should take action to capitalise on this momentum, using this Strategy as the basis for ongoing advocacy efforts.

Strategy 9: Seek a planning scheme amendment to include a strong statement of support for affordable housing contributions in Latrobe.

Council should seek to include a statement of in-principle support for provision for affordable housing (as opposed to general market-based housing affordability responses) in the Latrobe Planning Scheme. Such statements have value in clearly asserting the need to consider affordable housing issues in planning assessments and can plant a flag for further strategic work.

Strategy 10: Develop Council policy and approach to inclusionary requirements for affordable housing

As with parking and open space, social and affordable housing is essential to the proper functioning of local communities. Inclusionary requirements ensure that all new development contributes to the vitality of Latrobe’s communities in an equitable and efficient manner.

Strategy 14: Provide appropriate direction regarding preferred locations for social and affordable housing

Providing policy in the Planning Scheme that will direct social and affordable housing to locations that are well serviced by public transport or within walkable distance to primary activity centres will result in positive outcomes for the users of social and affordable housing.

6.5 Summary of strategies

The policy opportunities vary in their impacts on overall supply of social and affordable housing. A high impact opportunity is likely to have a large positive impact on the provision of affordable housing and housing diversity. Each of the opportunities have different ‘degrees of difficulty’ in terms of implementation.

An opportunity with a low degree of difficulty is relatively easy to carry out with minimum resources from Council. An opportunity with a high degree of difficulty may require institutional changes and be dependent on the actions of other stakeholders such as the Victorian Government.

Table 4 below summarises each of the actions in terms of:

- Potential to impact supply of diverse and affordable housing within two years
- Level of resources required by Council
- Ease of implementation

TABLE 4: SUMMARY OF STRATEGIES

Strategy	Impact	Council resources	Ease of implementation	Policy lever	
Tier 1: Facilitating efficient housing markets					
1	Continue to implement Live, Work, Latrobe Housing Strategy 2019	Low	Low	Moderate	Regulation
2	Progress preparation of background work for Infrastructure Needs Analysis	Moderate	High	Moderate	Regulation
3	Identify and seek to resolve barriers to the delivery of diverse housing product (such as townhouses, units, shop top housing etc.)	Moderate	High	Moderate	Regulation
4	Improve development and management outcomes for Rooming Houses	Low	Moderate	Moderate	Regulation

5	Foster partnerships to assist 'rental ready' marginalised households to enter, or transition from public or community housing to the private rental market	Moderate	Low	Moderate	Partnership
Tier 2: Facilitating affordable housing supply					
6	Publish information on the Community Housing Sector for developers and provide a single point of contact at Council for enquiries	Low	Low	High	Partnership
7	Develop a program to inform the community on the need for and benefits of social and affordable housing	Low	Low	High	Advocacy
8	Prepare a program of advocacy to State and Federal Government for continuing and increased action to address social and affordable housing need across the state.	High	Low	High	Advocacy
9	Seek a planning scheme amendment to include a strong statement of support for affordable housing contributions in Latrobe.	Moderate	Moderate	Moderate	Regulation
10	Develop Council policy and approach to inclusionary requirements for affordable housing	High	Moderate	Low	Regulation
11	Consider potential to develop policy and approach to value sharing for ad hoc rezoning proposals following implementation of the Windfall Gains Tax	High	Moderate	Low	Regulation
12	Establish an appropriate mechanism to receive cash in-lieu affordable housing contributions	N/A	Moderate	Moderate	Regulation
13	Establish an Expression of Interest (EOI) process (or alternative) to disburse funds collected through inclusionary requirements to Community Housing Providers	N/A	Low	High	Regulation

14	Provide appropriate direction regarding preferred locations for social and affordable housing	Moderate	Moderate	Moderate	Regulation
15	Engage with the State Government regarding preferred locations and development outcomes in Latrobe from investment via the Big Housing Build	Moderate	Low	High	Advocacy
Tier 3: Investing in affordable housing					
16	Engage with Community Housing Providers regarding disposal of excess Council land assets	Moderate	Low	High	Partnership

6.6 Review

Given this is an evolving area of policy and action, we recommend a relatively short review period. This will account for the formative nature of the introduction of changes to the planning system. As Councils across Victoria enter this arena, it is highly likely that different approaches and models of provision will emerge and mature. State legislation and the current suite of options and mechanisms may also shift over this time, particularly as the State Government continues to consider the recommendations of the Ministerial Advisory Committee.

We recommend that the strategy be reviewed and updated in 2030 (or sooner if required), at which time further tools and options may be available.

Appendix A: Preferred Location for Social and Affordable Housing

Legend

- Preferred area for Social and Affordable Housing
- Primary Activity Centre
- Bus Stop
- Urban Area (allows residential uses)
- Road
- Trail

Local and Neighbourhood Activity Centres

- Operating

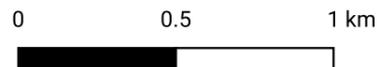


Legend

- Preferred area for Social and Affordable Housing
- Primary Activity Centre
- Bus Stop
- Urban Area (allows residential uses)
- Highway or Freeway
- Road
- Trail

Local and Neighbourhood Activity Centres

- Operating

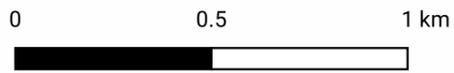


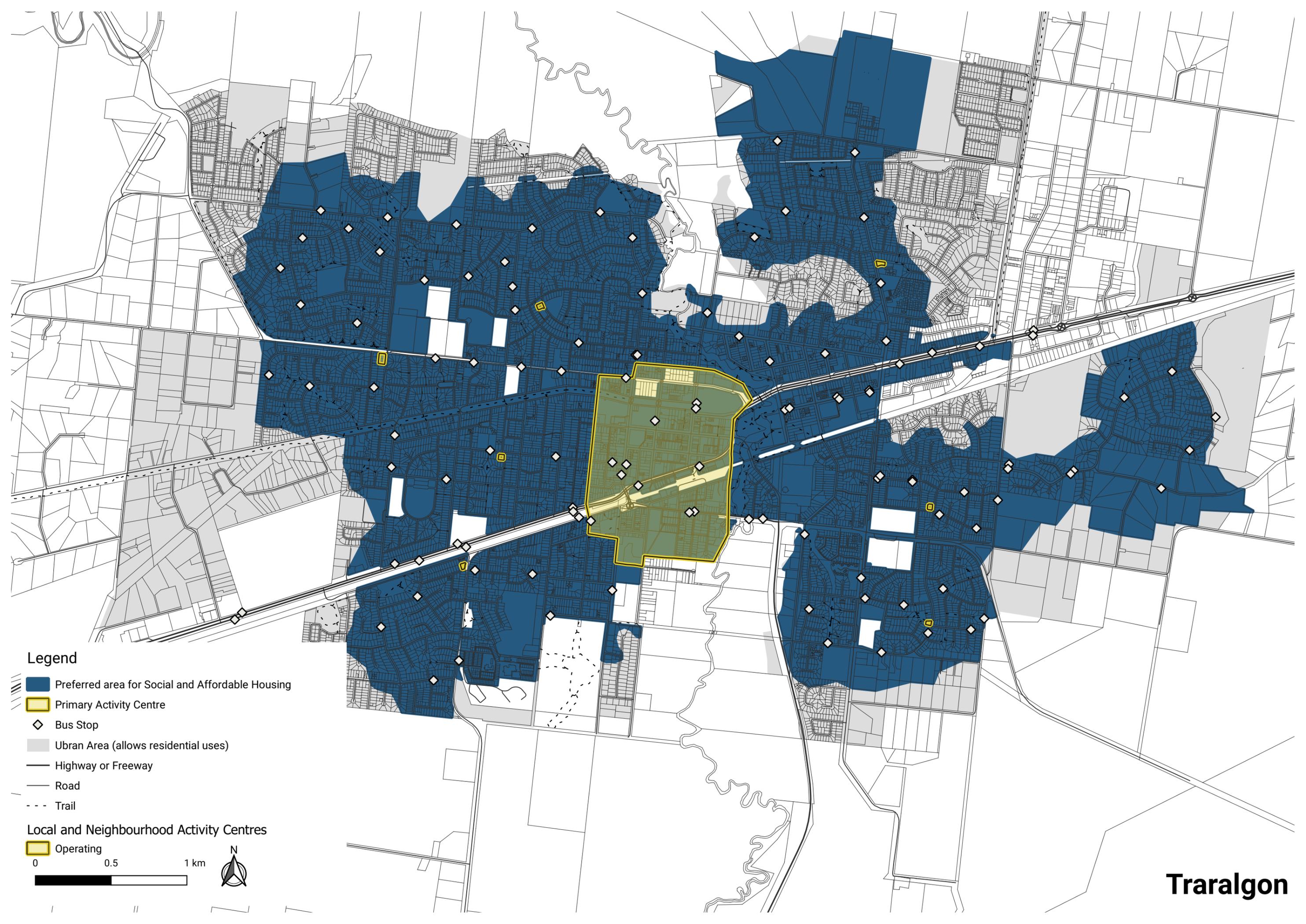
Legend

- Preferred area for Social and Affordable Housing
- Primary Activity Centre
- Bus Stop
- Urban Area (allows residential uses)
- Highway or Freeway
- Road
- Trail

Local and Neighbourhood Activity Centres

- Operating



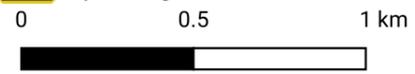


Legend

- Preferred area for Social and Affordable Housing
- Primary Activity Centre
- Bus Stop
- Urban Area (allows residential uses)
- Highway or Freeway
- Road
- Trail

Local and Neighbourhood Activity Centres

- Operating



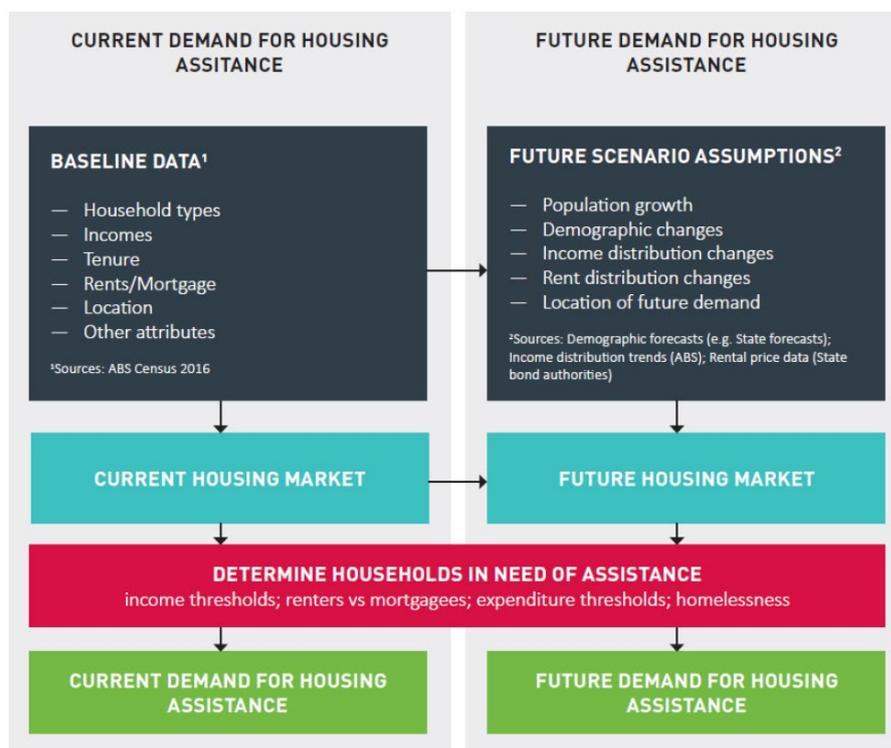
Appendix B: Housing Assistance Demand (HAD) Model

This analysis at Section 4.4 of this report uses a HAD micro-simulation model to estimate the total number of households that are in need of housing assistance. It does this by adding together the existing count of social housing households, the count of homeless persons and the count of renting households that are in moderate or severe rental stress.

To identify households in rental stress, the HAD micro-simulation model segments households by many demographic and spatial variables. Rent paid against gross household income is the measure of rental stress and it is only applied to very low, low or moderate income households.

It is worth noting that the prevalence of housing stress is measured via rental stress. Households experiencing mortgage stress via high monthly repayments have not been considered. The numbers therefore underrepresent the number of households experiencing housing stress in Latrobe. However, mortgage stress raises different questions and policies that support home ownership have broader objectives because their primary impact is on the assets and investments of a household. For these reasons, it is not considered in the analysis.

FIGURE 11: HOUSING ASSISTANCE DEMAND MODEL OVERVIEW



Source: SGS Economics and Planning, 2021

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