



CITY OF BALLARAT

Social Policy Position Statement



August 2022

Affordable Housing

Context

The City of Ballarat recognises that housing directly impacts health and wellbeing, and plays a critical role in health, education, employment, and safety outcomes. Not only is physical shelter important, it must be adequate (suitable size, warm and dry), accessible (available for low-income households in a location that enables them to get to school, work, and community) and affordable (rent or mortgage no more than 30 per cent of gross household income with reasonable running costs).¹

The *Victorian Local Government Act 2020* requires councils provide the best outcomes for the community, whilst having regard to the long-term cumulative effects of decisions. Under the *Local Government Act 2020*, the role of local government in housing includes:

- Ensuring adequate planning for the future of the municipal district
- Coordinating with other public bodies to ensure that services and facilities are provided, and resources are used effectively and efficiently
- Representing and promoting the interests of the community and to be responsive to the needs of the community

In relation to affordable housing, various councils have different responses, including: advocacy to other levels of government; accommodating growth with facilitative planning provisions; providing direct investment into affordable housing; and providing community development and support services for vulnerable people. The approach of individual local governments depends on a range of factors, including location, existing housing stock, affordability, existing infrastructure, development pressures, council priorities and community values.³

Affordable housing is referred to within several City of Ballarat policy documents. The Ballarat Strategy has several initiatives that relate specifically to housing affordability and social and affordable housing.⁴ Supporting actions to implement the initiatives are focussed on engagement with state government, key stakeholders, and the private sector to encourage the provision of social, affordable, and diverse housing opportunities.

The City of Ballarat's *Health and Wellbeing Plan 2021-31* also refers to the importance of housing, identifying it as a liveability domain and noting the role of adequate housing in the wellbeing of individuals and communities.⁵

The State Planning Policy Framework in the City of Ballarat Planning Scheme, which is used to guide Council's land use planning decisions, includes an objective (Clause 16.01) to 'deliver

more affordable housing closer to jobs, transport and services’; it does this through strategies to ‘improve housing affordability’ by ‘encouraging a significant proportion of new development to be affordable for households on low to moderate incomes’ and to ‘increase the supply of well-located affordable housing’.⁶

The City of Ballarat has a statutory responsibility in housing-related matters such as land use, physical infrastructure planning and development, and recognises its role in encouraging the provision of affordable, diverse housing opportunities across the municipality.

Key Definitions

The *Planning and Environment Act 1987* defines affordable housing as, “housing, including social housing, that is appropriate for the housing needs of very low, low and moderate income households”.⁹ *Very low*, *low* and *moderate* income households are further defined in the Act by income ranges. For those outside of Melbourne, including Ballarat, the income brackets are as follows:

| Household | Very low income range (annual) | Low income range (annual) | Moderate income range (annual) |
|----------------------------------------------------|--------------------------------|---------------------------|--------------------------------|
| Single Adult | Up to \$18,380 | \$18,381 - \$29,400 | \$29,401 - \$44,100 |
| Couple, no dependents | Up to \$27,560 | \$27,561 - \$44,100 | \$44,101 - \$66,160 |
| Family (one or two parents and dependent children) | Up to \$38,590 | \$38,591 - \$61,750 | \$61,751 - \$92,610 |

For reference, several key definitions used in this document have been outlined below:

Housing Affordability: refers to the relationship between expenditure on housing (including housing prices, rent or mortgage payments) and household incomes. Price-to-income ratios are often used to measure affordability.¹¹

Affordable Housing: housing that is appropriate for *very low* to *moderate* income households, with households still able to meet other essential basic living costs after rent or mortgage payments.¹

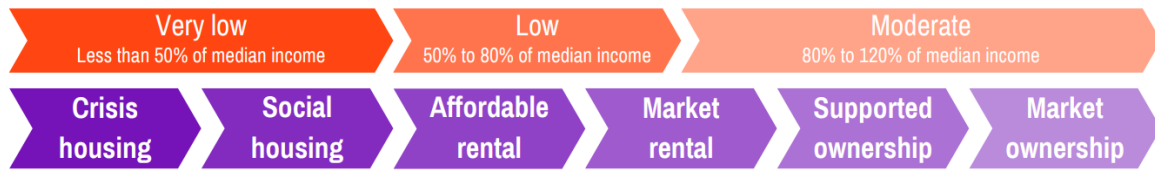
Social Housing: rental housing (short and long-term) owned and run by not-for-profit agencies or state government.¹²

Public Housing: a type of social housing (long-term rental) managed by state government.¹²

Community Housing: a type of long-term social housing managed by not-for profit organisations for people on low incomes.¹²

Housing Stress: If a household is paying more than 30% of its gross income in housing costs (the sum of rent payments, rate payments- water and general) and housing-related mortgage payments) it may be described as experiencing ‘housing stress’. Higher income households often spend a higher proportion of their income on housing without experiencing financial problems, and as such are often excluded from this definition.¹¹


The Affordable Housing Continuum is an easy way to visualise housing types relative to income, covering the types of housing options available for people with *very low* incomes, through to *moderate incomes*.



Source: .id (informed decisions)¹⁰

The City of Ballarat’s current role in affordable housing

After consideration of the accountability, capacity and relationships, it has been determined that the City of Ballarat has a **shared** role in relation to affordable housing.

| | | |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  | <p>Shared: The City of Ballarat is one many responsible stakeholders.</p> | <ul style="list-style-type: none"> • Accountable for some aspects • Some capacity to act • Moderate City of Ballarat role required to improve community wellbeing outcomes. |
|-----------------------------------------------------------------------------------|----------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

In line with the *City of Ballarat Social Policy Framework 2018*, the principles of Equity, Inclusion, Proactive, Leadership, Collaboration and Compassion are to be considered in all new social policy development. These principles also provide a foundation for action and can be seen in the current City of Ballarat role in relation to affordable housing, as identified below. Fully integrating these principles into different aspects of social policy work will take time and will require the dedicated efforts of everyone involved.

The City of Ballarat has the following key roles:

Planner/ regulator

- Statutory responsibility in housing-related matters, such as land use, physical infrastructure planning and development, building controls, public health, traffic management and open space planning. In this way, local government influences the location and type of new dwellings, and the provision of social and physical infrastructure for new and existing communities.
- Considers the opportunity to incorporate affordable housing requirements in strategic planning projects to assist with negotiations with developers.
- Development the *Ballarat Housing Strategy*, informed by a Diverse and Affordable Housing Discussion Paper.

Advocate

- Engages with state government and other key stakeholders (including affordable housing providers) to provide leadership in addressing the provision of social and affordable housing options in Ballarat.⁴
- Encourages the provision of affordable, diverse housing opportunities across the municipality which have access to supporting infrastructure such as public transport, education, food, parks, and open spaces.
- Continues to engage with and actively encourage the private sector and state government on opportunities for pilot projects of social and affordable housing.

- Advocates for more effective planning mechanisms to better facilitate housing affordability and foster innovative models to deliver affordable housing.

Educator

- Researches and accesses data on local housing context and needs to inform planning and advocacy.

Facilitator

- Undertakes systematic assessment of options and collaborative approaches, including innovative forms of self-build, cooperative, mixed tenure, social-mixed and co-managed models as part of the City of Ballarat's involvement as a partner within the United Nations Global Compact Cities Programme.
- Supports community members experiencing homelessness to connect to local service providers.

Related City of Ballarat policy documents:

- The Ballarat Strategy 2040
ballarat.vic.gov.au/city/city-strategy/ballar-at-strategy-20400 | City of Ballarat
- City of Ballarat Planning Scheme
planning-schemes.delwp.vic.gov.au/schemes/ballar-at
- City of Ballarat Health and Wellbeing Plan 2021-31
ballarat.vic.gov.au/sites/default/files/2021-10/Health%20and%20Wellbeing%202021-2031_LR.pdf
- Social Policy Framework 2018
ballarat.vic.gov.au/city/about-us/social-policy
- Housing Strategy (currently in planning)
mysay.ballarat.vic.gov.au/ballar-at-housing-strategy
- Diverse and Affordable Housing Discussion Paper (currently in planning)
Email hsplanning@ballarat.vic.gov.au for more information.
- City of Ballarat Homelessness Protocol (currently under review)

Key Messages – affordable housing

- Housing directly impacts on an individual's health and wellbeing, playing a critical role in health, education, employment, and safety outcomes.
- The City of Ballarat has a statutory responsibility in housing-related matters, such as land use and physical infrastructure planning and development, building controls, public health, traffic management and open space planning.
- The City of Ballarat encourages the provision of affordable, diverse housing opportunities across the municipality.
- The City of Ballarat undertakes research and considers data on local housing context and needs to inform planning and advocacy and to ensure housing meets the requirements of a growing and changing population.
- Housing affordability across the country has declined significantly in recent years, leading to increases in housing stress for home buyers and renters, large social housing waiting lists, and growing levels of homelessness locally as demand for housing services significantly exceeds supply.
- The lack of investment in public and social housing, along with more people staying in the private rental market rather than moving to home ownership, means the available

supply of houses for lower income households has not kept pace with the growing demand.

- Adequate housing is considered a significant determinant of social health.¹³ Social housing options must afford residents adequate standards of living; lack of affordable housing options, poor housing conditions and inadequate location in relation to public transport and services have been shown to impact health outcomes for Australians.¹⁴
- Young people, Aboriginal and Torres Strait Islander people, culturally and linguistically diverse people, people with a disability, those leaving the criminal justice system, women and gender diverse individuals fleeing family violence and older people are disproportionately impacted by housing affordability.

Key data and trends

Whilst homeownership is often portrayed as ‘the Australian dream’, the rate of homeownership in Australia has been steadily declining whilst the proportion of people renting a home has been increasing.¹ In 2021, 32.6 percent of households in the City of Ballarat owned their house outright, 33 percent of households were purchasing their house (i.e. have a mortgage), and 31.6 percent of households were renting.¹⁷

The commodification of housing (the shift towards a focus on dwellings being something that can be traded for profit), in addition to population growth, has increased the demand for housing. The lack of investment in public and social housing, along with more people staying in the private rental market rather than moving to home ownership, means the available supply of houses for lower income households has not kept pace with the growing demand.¹

People on moderate incomes who may have otherwise bought their own house are now staying in lower cost rentals for longer, aiming to save a deposit to enter the property market. This results in people on low incomes being unable to access lower cost rental properties, putting them at greater risk of homelessness or the need to seek public housing. A lack of investment in public housing (both in maintenance and for new developments) has seen a reduction in the overall proportion of social housing dwellings, which are often the only type of housing that very low- to low-income households can afford.

Research from the Australian Housing and Urban Research Institute suggests that between 1.5 and 2 million Australian renters are currently at-risk of homelessness and are likely only one life shock away from losing their accommodation. Whilst there is no accurate way to determine how many households transition from risk into homelessness, estimates are high, with up to 11 percent of the Australian population aged 15 years and over having experienced homelessness at some point in their life.¹⁵ Estimates from research compiled by Anglicare suggest that as few as 2 percent of rental listings in Victoria are suitable for households on income support, and as few as 1 percent for single people on minimum wage.¹⁶

Housing affordability is the result of the interplay of several factors, including:

- Land values, land development and housing construction costs (including approval costs, delays, and government charges)
- Demand for and supply of housing in a local area
- Capacity of diverse population groups to compete for housing
- Location in relation to access to services, facilities, education, employment, and transport
- Quality of the housing, especially in relation to environmental sustainability and the ongoing costs of maintenance, heating, and cooling.¹

Lower income households are more vulnerable to housing stress, find it more difficult to compete in the private rental market, and are more likely to experience overcrowding or inadequate housing.¹

The biggest challenge for government and community housing providers is that the amount of rent received for social housing (based on 30 percent of household income) is not enough to maintain and renew social housing dwellings. Without long-term funding to meet the gap between the rental income and the expenses, there will continue to be a deterioration in the quality and quantity of social housing.¹

From 1 June 2018, the *Planning and Environment Act 1987* includes a new objective, ‘to facilitate the provision of affordable housing in Victoria’. This has removed a significant hurdle for Responsible Authorities that are seeking to facilitate affordable housing in their municipality through planning mechanisms. As for any objective in the Act, a Responsible Authority must undertake the appropriate strategic land use research and municipal policy development in relation to affordable housing.⁸

Further Information

Research, data and publications:

- Homes Victoria, Victorian State Government.
homes.vic.gov.au
- Australian Housing and Urban Research Institute
ahuri.edu.au/research/research-library
- Australian Centre for Housing Research
arts.adelaide.edu.au/housing-research/

Services and support

Homelessness and housing services

Under the Opening Doors Framework, *Uniting Ballarat* is the entry point for housing in Ballarat, backed by a network of local services that share support, housing and brokerage resources.

- **Uniting Ballarat Housing Program.** Phone: (03) 5332 1286, or drop-in without an appointment (Monday to Friday, 9am to 5pm) at 105 Dana Street Ballarat.
- **State-wide Homeless Crisis Response.** Phone 1800 825 955, Monday to Friday 9am to 5pm - this number will direct you to your nearest homelessness service. After business hours, your call will be directed to the St. Kilda Crisis Centre.

Contact:

City of Ballarat

Health and Social Planning Team

Phone: (03) 5320 5500

Email: hsplanning@ballarat.vic.gov.au

Position Statement Review: By August 2024

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