Key and Essential Worker Housing Supply Action Plan

Moyne Shire

Southern Grampians Shire Council

Glenelg Shire

Surf Coast Shire

Corangamite Shire

Colac Otway Shire

Victoria State Government

Victorian Planning Authority

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1 EXECUTIVE SUMMARY

1.1 OVERVIEW

The Councils of the Great South Coast and Barwon regions of Victoria, being the Glenelg, Moyne, Surf Coast, Corangamite, Colac Otway and Southern Grampians Shires (Councils), together with the Victorian Planning Authority (VPA), have identified the need to improve the quality and quantity of affordable and appropriate housing for key workers.

The purpose of the Action Plan is to increase the supply of low- to high-end rental and ownership accommodation for permanent and seasonal key workers from a range of industries across the Great South Coast and Barwon regions.

The issues and barriers to key workers accessing suitable, affordable housing include:

- Availability and cost of housing
- Quality of housing
- Seasonality – need for quality housing options for seasonal workers
- Shortage of permanent rentals
- The cost of development of new housing and the sales return not providing commercial returns.

1.2 DEFINITION

A key worker is

> ***An employee who provides a vital service, especially in the essential services, health, or education sectors.***

In the study area, this includes:

- Providers of services to residents – e.g. teachers, doctors, nurses, health care workers, pharmacists, Council staff
- Providers of services to visitors/tourists – e.g. hospitality, tourism, retail, workers at tourist attractions
- Workers in key local industries – e.g. agriculture and associated industries, renewable energy, forestry, mining, construction.

The inclusion of workers in the visitor/tourism and local industries sector is appropriate because in regional areas these workers are essential to the economic sustainability of the region.

The report adopts the following definition of affordable housing to define market and non-market housing and its application to key workers:

Housing that is owned or rented

> *that is*
>
> ***occupied by households in the lower 60 % of the income distribution scale and/or an identified key worker in the region***
>
> *providing*
>
> ***housing choices that are of appropriate size, liveable, affordable to occupy, accessible, secure in tenure and located in good proximity to employment services and critical infrastructure such as transport.***

The housing can be:

- ***Private home ownership where the purchaser's mortgage costs do not exceed 35 % of the gross household income of the occupant***
- ***Rental housing that is owned and managed by private individuals or corporations and where rent does not exceed 30 % of the income of the gross household occupant***
- ***Rental housing that is owned and managed by the state housing authority***
- ***Rental housing that is owned or managed by a not for profit housing organisation.***

1.3 COUNCILS' ROLE

The purpose of the Action Plan is to create public and private sector investment in housing in the region by utilising a combination of Federal, State and Local Government levers.

The Councils' role in achieving these outcomes can range from advocating for Federal and State Government to change the policy and regulatory setting to facilitate investment through to Councils undertaking development. This could include Councils directly facilitating development through planning, providing land, and financial levers such as subsidies, thereby providing the private sector with the certainty that it needs to invest confidently in the region.

1.4 NEED FOR KEY WORKER HOUSING

The Great South Coast and Barwon region has a number of key employment opportunities linked to the significant growth in agricultural industries associated with food to fibre and the energy and renewable energy industry. These are supplements to the already established and growing tourism industries.

There are a number of factors at play that are creating constraints to the availability of key worker housing within the region. In coastal areas, the supply of existing and new housing stock is dominated by owners of holiday homes and investors in the short-stay accommodation market. In other locations across the region, housing development activity is very low due to the small size of local housing markets and other constraints. In addition, an ageing community across the region is facing barriers in the move into more suitable accommodation (both economic – it costs more to move to a new dwelling than stay in an existing one or any uplift disappears with stamp duty – and lack of alternate housing being available). The combined effect of these housing dynamics is that there is a significant shortage in housing for key workers to rent or purchase right across the region.

The key issues are:

- The region has experienced minimal growth in housing stock
- There is a high proportion of unoccupied and underutilised dwellings that are now short term rentals, particularly in tourism destinations
- There is a strong correlation between high house prices and holiday homes across the region
- The decrease in the number of available rental properties means key workers are less likely to access suitable rental properties within the region
- The increase in median rent indicates a lack of supply of rental properties across the region
- A portion of each LGA's workforce is travelling large distances for employment
- The cost of developing land and buildings in some locations is such that it does not allow for commercial returns.

1.5 SCALE OF THE NEED

There are currently almost 4,000 key worker jobs being imported from outside the region (that is, they work in the region but live outside it). This is due in large part to there being an insufficient supply of appropriate housing available within the region to accommodate these workers and their families.

It is projected that a further 2,610 jobs will be created within the region by 2024, which will significantly add to the demand for housing within the region over the coming four years[1].

[1] Dept of Jobs and Small Business, Trends 2019

These figures provide an indication of the size of the current and future market that may be attracted to rent or buy housing in the region, who already have jobs in the region.

If even 30% of these workers wanted to live in the region, that would represent the need for an extra 2,000 dwellings, and if that figure were 50% then a further 3,500 dwellings would be required.[2]

Homes to support these workers are needed in a range of locations across the region, as determined by where jobs are currently located and are projected to grow, as well as the amenities and facilities available across different townships to support the lifestyle needs and aspirations of workers and their families.

The economic cost of not providing housing in the region is substantial. If workers can live in the region, the economic benefit to the region would be between $396 to $596 million in outputs and it would create an additional 615 to 923 jobs in the population.[3]

1.6 INTERVENTION ACTIONS

The intervention actions are to encourage both public and private investment by developers or investors in the region that meet investment criteria. These include financial returns that meet market expectations, size and scale, certainty and timely development approvals and supportive government policy. The Regional Actions can be summarised as:

Creation of developable land at significantly reduced costs. Key actions include:

- The creation of a Community Land Trust (CLT)
- Infrastructure agencies waiving fees
- Quantifying residential development opportunities
- Using Council-owned land/titles for housing development.

Planning enablers critical to the supply of housing and key actions include:

- Working with State Government to implement a fast tracked and streamlined rezoning process
- Ensuring that there is an ongoing and adequate supply of land
- Planning policies that support the supply of key worker housing
- Investigating options for planning concessions for key worker housing and affordable housing outcomes.

Advocating for State and Federal Government to:

- Implement grants schemes and programs that support the implementation of key worker housing that leverage Council land and Housing Associations' capacity to raise debt
- Support the consideration and assessment of the appropriateness of waiving stamp duty for over 65s
- Remove financial barriers to home ownership for visa holders
- Implement a build to rent scheme that has regional opportunities
- Provide funding grants for catalyst infrastructure to enable development
- Improve and continually update of demographic projections.

Councils working with the development and broader community to:

- Continue to undertake and publish research into regional key worker housing
- Prepare guidance material for developers
- Regularly engage with the community about key worker housing issues
- Provide an active asset management tool that provides a rating on rental properties.

[2] Urban Enterprises 2019

[3] Urban Enterprises 2019

Councils have nominated a level of intervention to facilitate the supply of key worker housing. The report details specific actions for each Council, but these can be summarised as:

- Undertake structure planning and masterplannning for the development of greenfield residential land
- Identify other Council land that offers the opportunity for development, such as creating air right titles over Council car parks
- Investigate funding infrastructure in greenfield residential areas
- Investigate waiving development contributions and/or Council rates for developments providing key workers housing
- Review the strategic and statutory controls to allow for medium density housing
- Investigate constructing high quality housing for nominated key workers or direct investment in the key worker housing
- Modify planning schemes to allow for relocatable dwellings for temporary key workers, including the possibility of using Council land or investment
- Improve transport links between major towns
- Limit the duration that housing can be used for short-term accommodation
- Advocate for the redevelopment or supply of new social housing
- Seek affordable housing contributions
- If no regional CLT is developed, consider a Council CLT
- Facilitate and assist in the co-ordination of specialist seasonal key worker housing
- Work with landowners to facilitate the development of housing
- Use Council land to facilitate development outcomes.

2 INTRODUCTION

2.1 PROJECT OVERVIEW

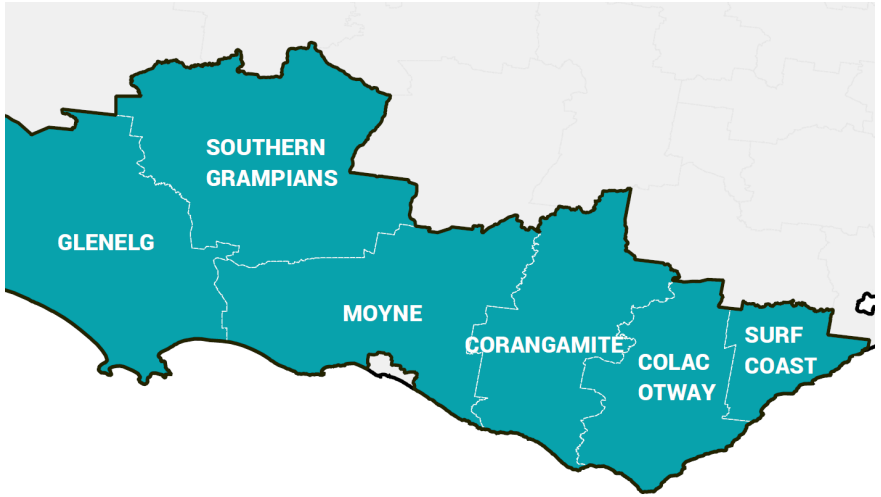
The Councils of the Barwon South West region of Victoria, being the Glenelg, Moyne, Surf Coast, Corangamite, Colac Otway and Southern Grampians Shires (Councils), together with the Victorian Planning Authority (VPA), have identified the need to improve the quality and quantity of affordable and appropriate housing for key workers.

The purpose of the Action Plan is to increase the supply of low - high-end rental and ownership accommodation for permanent and seasonal key workers from a range of industries across the Great South Coast and Barwon regions.

The development of this Action Plan has included:

- Defining key permanent and seasonal workers and their housing and tenure requirements
- Understanding and assessing the supply and demand for permanent and seasonal key worker housing and the extent to which they are being catered for in local markets
- Reviewing housing tenures and the management of key worker housing in other locations
- Exploring responses to address shortages based on best practice research and consultation with government, the private and not for profit sectors and other partner agencies, including local councils
- Developing a place-based multi-stakeholder Action Plan for the region and participating municipalities, including through federal, state and local policy development, incentives, grant schemes, planning levers, advocacy and further research.

Figure 1 - Councils included in the Homes for Key Workers study area



2.2 DEFINITION

KEY WORKER:

There is no current legislative or adopted policy definition of key workers in Australia. This report adopts the following definition of key workers, based on an assessment of the particular key worker issues within the Great South Coast and Barwon regions (as well as a review of key worker definitions in other jurisdictions):

> ***An employee who provides a vital service, especially in the essential services, health, or education sectors.***

This definition includes the following specific types of key workers:

- Providers of services to residents – e.g. teachers, doctors, nurses, health care workers, pharmacists, Council staff
- Providers of services to visitors/tourists – e.g. hospitality, tourism, retail, workers at tourist attractions
- Workers in key local industries – e.g. agriculture and associated industries, renewable energy, forestry, mining, construction.

The inclusion of workers in the visitor/tourism and local industries sector is appropriate because in regional areas these workers are essential to the economic sustainability of the region.

AFFORDABLE HOUSING:

The Victorian Government has introduced the following definition of Affordable Housing into the Planning and Environment Act 1987:

"*Affordable housing is housing, including social housing, that is appropriate for the housing needs of very low, low, and moderate-income households.*"

This definition is supported by Governor in Council Orders, which specify the income ranges for very low, low and moderate-income households for affordable housing that is not social housing. The income bands referred to in the GIC Orders differ between metropolitan and regional locations.

This report has adopted a different definition of affordable housing because the above definition would not enable the housing needs of the particular types of key workers in the Great Southern Coast and Barwon region to be met.

This report has adopted the following definition of affordable housing to define market and non-market housing and its application to key workers:

> ***Housing that is owned or rented***
>
> *that is*
>
> ***occupied by households in the lower 60 % of the income distribution scale and/or an identified key worker in the region***
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> *providing*
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> ***housing choices that are of appropriate size, liveable, affordable to occupy, accessible, secure in tenure and located in good proximity to employment services and critical infrastructure such as transport.***
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> ***The housing can be:***
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> - ***Private home ownership where the purchaser's mortgage costs do not exceed 35 % of the gross household income of the occupant***
> - ***Rental housing that is owned and managed by private individuals or corporations and where rent does not exceed 30 % of the income of the gross household occupant***
> - ***Rental housing that is owned and managed by the state housing authority***
> - ***Rental housing that is owned or managed by a not for profit housing organisation.***

2.3 IMPLEMENTING THE ACTIONS

The purpose of the Action Plan is to create public and private sector investment in housing in the region by utilising a combination of Federal, State and Local Government levers.

The Action Plan outlines actions that are applicable across the region and those that are specific to each Council. The actions that are specific to individual Councils have been informed by discussions held with each Council to determine the level of intervention each Council was prepared to undertake. These are summarised as:

The application of the actions to develop Key Worker Housing can be viewed in three ways:

- Short-term – these are actions that are easy to implement and would be able to be actioned and the outcomes implemented within a 12 month period
- Medium-term – these actions will take a period to develop and implement and would typically take one to four years
- Long-term – these are the actions that will require a view to achieving greater outcomes and require time to implement typically 5 or more years.

The Action Plan will assign timeframes that, for the designated action to have impact, the action should be implemented within.

The actions will designate both a champion with responsibility for overseeing the implementation of actions and a manager who will deliver the actions to achieve the desired outcome.

The implementation of actions is to encourage both public investment and private investment (developers or investors) in the region that meet investment criteria that include:

- Ability to realise attractive commercial returns or yields within reasonable timeframes
- Availability of a sizeable development opportunities (either larger development sites or a pipeline of development projects) that warrants making a sizable capital investment in development in the region – for example, an active pipeline of 100 dwellings per year for 3–5 years.
- Sufficient depth of market and likely trading volumes to justify mobilising capital and development resources in a given location
- Certainty over development yields and the approvals process
- Ability to offer and have accepted alternate housing types and tenures
- Time-effective development approval processes
- Government policy that supports growth.

Actions have been developed with the need to satisfy the above criteria in mind.

3 KEY AND ESSENTIAL WORKER HOUSING ISSUES AND OPPORTUNITIES

3.1 THE WIDER HOUSING ISSUES

Cities and towns provide a multitude of services and opportunities to their residents, and the most fundamental of these are access to adequate housing and employment. A diverse range of dwelling types, tenures and price points distributed across towns in the Great South Coast and Barwon region is essential to ensure that all parts of the community can access housing that is appropriate to their needs and affordable within their household income.

Shortages of appropriate and affordable housing (including all tenures of housing) act as a constraint on economic growth and can prevent workers from fully participating in economic and social opportunities. This can occur when people are priced out of living in the local community and are forced to choose between commuting long distances to jobs or potentially forgoing the work altogether if they cannot obtain local housing. Households that are unable to purchase their own dwelling are faced with either accessing private rentals and, in the case of very low-income workers, seeking public housing or housing provided by not for profits. However, as the region's population continues to increase, and the disparity in growth between housing prices and wages endures, the number of lower income households (including many key worker households) unable to access affordable and suitable housing is forecast to continue to rise.

The affordability of housing is a national concern – dwelling prices across the whole country have grown faster than incomes, particularly since the mid 1990s.

Prices have risen rapidly in all Australian major cities and most regions, although there are variations from year to year.[4] Average prices of dwellings have increased from about two to three times average disposable income in the 1980s and early 1990s to about five to eight times more recently. [5]

But the ageing Australian population has concealed a greater fall in home ownership rates during the past 20 years for all but the oldest households. Younger Australians have always had lower incomes and accumulated savings, hence lower home ownership rates. But between 1981 and 2016 home ownership rates among 25–34 year olds fell more than 60 %[6].

Consequently, without intervention, home ownership rates are unlikely to bounce back over time. The fall in home ownership rates across segments is having a fundamental impact on the price and availability of rental dwellings. Traditionally, those age groups that would have purchased dwellings are now staying in rental properties, forcing up demand for rentals and the price. This, in turn, has made private rental unaffordable for low and moderate income earners, including many key workers, and the inability to obtain housing that is appropriate and affordable.

[4] Kadir Atalay; Garry Barrett; Rebecca Edwards (2016) AHURI

[5] Ellis (2017); Fox and Finlay (2012) AHURI
6 ABS Census data 1981 to 2016

3.2 REGIONAL ISSUES

Regional and local economic growth and productivity is affected if employers cannot draw from the widest possible pool of potential employees due to an increasingly larger sector of the population not being able access local housing or to travel from their home to their workplace within a reasonable time and at a reasonable cost.

A lack of suitable and/or affordable housing has both economic and social implications which, in turn, have an impact on the sustainability of local communities.

The Great South Western and Barwon region have a number of key economic opportunities linked to the significant growth in agricultural industries associated with food to fibre and the energy and renewable energy industries. These are supplements to the already established tourism industries.

The ageing community is facing barriers to move into more suitable accommodation (both economic – it costs more to move to a new dwelling than to stay in the existing older dwelling or any uplift disappears with stamp duty – and lack of alternate housing being available). This means that in many instances there is no suitable housing for key workers and their families.

This problem has been compounded in areas that are significant tourist locations, where renting a dwelling for a whole year was once more economically rewarding for landlords than seasonal rentals. However, in recent years the advent of Airbnb and the increased popularity of the Victorian Coast as a holiday destination has seen the reversal of the long-term economic rentals to short stay rentals, the short stays being of more economic benefit to landlords.

The population and demographics of the regions show that:

- The region is not homogenous, with some municipalities experiencing steady population growth, and others declining
- The population is ageing in almost all municipalities, with only the Surf Coast region expected to experience growth in people aged 0 to 20 years
- The age profile forecasts significant growth in working-age persons (15 to 64 years), which will generate demand for housing and employment, and employers in the region have signalled that a significant percentage of future workforce demand will be driven by replacing the ageing workforce[7].

The current housing situation highlights that:

- The region has experienced minimal growth in housing stock. New housing supply is greatest in tourism destinations and employment centres i.e. Surf Coast Shire (+308 dwellings p.a.), Colac-Otway (+56 dwellings p.a.) and Southern Grampians (+25 dwellings p.a.). Dwelling projections are exceptionally low in some LGAs, with Corangamite Shire and Glenelg Shire projected to grow by fewer than 10 dwellings per year[8]
- There is a high proportion of unoccupied dwellings, particularly in tourism destinations, such as Surf Coast, for use as holiday homes. In some of the key tourism destinations, unoccupied dwellings make up to 75% of dwelling stock (Lorne)[9]. This has implications for access to housing for key workers in tourism towns
- There is a strong correlation between house prices and holiday homes across the region. Coastal tourist towns have the highest median house prices, many of which are unaffordable to key workers, first home buyers or workers on lower incomes

[7] ID Consulting – population projections
[8] ABS Dwelling approvals 2018/19
[9] ABS Census 2016

- The decrease in the number of available rental properties means key workers are less likely to access suitable rental properties within the region
- The increase in median rent indicates a lack of supply of rental properties across the region
- A portion of each LGA's workforce is travelling large distances for employment. This may indicate a lack of suitable housing within each LGA to support the local workforce
- Urban Enterprise's market research into housing and location needs of workers in the region found that almost 78% of respondents would prefer to live somewhere else and 58% would prefer to live closer to their workplace.

The income of occupations across the region is such that housing costs are greater than 30% of the household income. Table 1 - income by occupation of residents across region, 2016, provides an overview of the income of resident workers in the region by occupation. Key findings are:

- Occupations that are commonly associated with those of key workers in the region generally have lower incomes and are in need of affordable housing. These include:
    - Technicians and trades (e.g. construction)
    - Community and personal services (e.g. health, education)
    - Sales workers (e.g. retail, tourism, hospitality).
- Alternatively, almost 25% of residents working as professionals and managers in the region earn over $91,000 per annum, leading to demand for higher quality housing from these worker groups.

Affordability is a key consideration when trying to accommodate key workers, however higher quality housing for higher income earners is also a consideration for areas where professional and managerial labour is sought.

The Victorian Government's current Governor in Council Orders for affordable housing in regional areas are such that most key workers would not qualify for affordable housing as defined by the Victorian Government. However, the data shows that they actually need housing at a cost that is lower than 30% of income.

Table 1 - income by occupation of residents across region, 2016

Income pa	Managers	Professionals	Technicians and Trades	Community, Personal Service	Clerical, Administrative Workers	Sales Workers	Machinery Operators, Drivers	Labourers
Negative/ $0 income	4%	0%	1%	1%	1%	1%	1%	1%
$1 - $25,999	17%	9%	16%	33%	21%	46%	8%	35%
$26,000 - $51,999	28%	25%	40%	43%	45%	34%	34%	43%
$52,000 - $90,999	29%	43%	32%	18%	27%	13%	43%	17%
$91,000 - 155,999	14%	17%	10%	5%	5%	3%	14%	3%
$156,000 +	7%	6%	2%	1%	2%	2%	1%	1%
Total	10,794	8,745	7,230	5,543	5,104	4,411	3,535	6,816

Source: Place of Residence, Census of Population and Housing, ABS, 2016

The Barwon South West region has a strong economy, the key features of which can be summarised as follows:

- The region operates within a wider state economy where the underlying economic fundamentals are generally sound, and the outlook has been positive for a number of years. However, the recent bushfires and

coronavirus will put a significant dampener on economic conditions in Australia for 2020 and into 2021 and cause a short-term decline in international tourism that will affect tourism jobs along the Great Ocean Road

- Historic low unemployment rates across the region, particularly in Colac-Otway, Corangamite, Moyne and Surf Coast have indicated a critical need to attract key workers into the region due to a shortage of locally available skills and workforce
- Significant industries, with the largest in the region based on employment being agriculture, forestry and fishing (8,561 workers), although a significant decline is projected in the next five years
- Other large industries employing residents in the region are health care and social assistance (5,392 workers), manufacturing (4,554 workers) and retail trade (4,256 workers). Overall, the education and training and health care and social assistance industries are expected to experience the greatest increases in workers (+760 workers and +680 workers respectively)[10]
- Consolidated and published data of temporary workers and visa workers is limited. The projections, modelled from macroeconomic data, do not account for itinerant and temporary workers. Anecdotally there are many workers on temporary work visas in the region, particularly in tourism (seasonal), agriculture and industry maintenance
- 87% of local jobs across the region are taken by local residents, with approximately 13% of jobs currently employing residents from outside of the region, including Greater Geelong, Warrnambool and Golden Plains.[11]
- Tourism is a key worker industry that is not clearly defined by Australia and New Zealand Standards Industrial Classification (ANZIC) definitions. Based on the adopted midpoint forecast scenario, the region is expected to gain an additional 1 million domestic overnight visitors by 2028/29. This will place ongoing pressure and competition for accommodation amongst both visitors and key workers
- Major infrastructure projects planned across the region will also drive demand for housing – both temporary and permanent. This includes projects such as the Princes Highway Upgrade (Winchelsea to Colac), Apollo Bay Harbour Precinct Development, Whiskey Distillery, Golden Plains Wind Farm (located in Golden Plains), Princeton Eco-Resort and 12 Apostles Hot Springs, Cape Bridgewater Resort, Dundonnel Wind Farm, Origin Energy Gas Fire Plant and Lakes Edge Development, Cattle Abattoir, and Hamilton Art Gallery relocation. There are additional projects that may not be captured above, but indicate key investment in the region. These projects will drive jobs across the tourism, construction, food processing and mining industries.

It is difficult to determine the exact demand for housing for key workers within the region due to the complex variables that inform people's preferences for the location in which they wish to live. However, based on the assumptions set out in the background analysis that has informed this Action Plan (Urban Enterprise, 2020), the current shortfall and projected demand for housing to support permanent workers in the Barwon South West region to 2024 is in the order of 2,600 workers.

The main barriers to key workers accessing suitable, affordable housing across the wider region include:

- Availability and cost of housing
- Quality of housing
- Impacts of seasonal demands on the availability of housing
- Shortage of permanent rental housing stock.

[10] ABS Census 2016

[11] Urban Enterprises 2019

In locations such as **Torquay and Lorne,** there is a growing jobs base and a very high demand for housing, but housing availability is constrained and costs are very high.

Torquay (coastal and tourism) has links with and gains some benefits by being close to Geelong's more affordable growth areas and existing urban areas; however, transport connections between Torquay and Geelong will need improvement. The key worker sectors needing housing in Torquay include:

- Construction
- Retail
- Accommodation and food services
- Healthcare and social services
- Education.

Coastal and tourism towns (Anglesea, Lorne, Apollo Bay, Port Fairy, Port Campbell, Dunkeld) have the following characteristics and housing needs**:**

- High visitor visitation, majority of housing stock is holiday homes
- Low cost housing to support workers in coastal tourism townships
- Improved transport connections to hinterland towns that may support jobs growth in these sectors
- Key worker sectors:
    - Retail
    - Accommodation and food services
    - Healthcare and social services
    - Education.

Moderate growth regional service centres (Colac, Hamilton) have the following characteristics and housing needs:

- Moderate population and jobs growth
- A current gap in housing for higher quality dwellings and medium density dwellings suited to workers on higher wages from the health care and professional service sectors
- Housing for temporary workers
- Workers:
    - Construction
    - Retail
    - Accommodation and food services
    - Healthcare and social services
    - Education
    - Manufacturing/labour.

Low growth regional service centres (Camperdown, Terang, Cobden, Mortlake, Portland) have the following characteristics and housing needs:

- Low population growth
- A need to support investment in higher quality large dwellings and medium density dwellings in Camperdown, Terang, Cobden, Mortlake and Portland to attract key workers from sectors including health care, education and public administration
- Housing for temporary workers
- Key worker sectors:
    - Healthcare and social services
    - Education
    - Manufacturing/labour.

The analysis of current and projected demographic and economic conditions across the region has identified a wide diversity of key worker groups (as summarised above). The location, type and tenure of housing needed for each of these key worker groups varies from town to town, and the Action Plan therefore needs to be tailored to meet these differing needs. Some of the regional towns do offer the opportunity to deliver lower cost housing but this must be weighed against travel distances.

The total number of key worker jobs currently being exported outside the region (i.e. those who already have jobs in the region, but live outside the region) is identified in Table 2 - Current jobs exported and projected jobs needed to 2024.

This provides an indication of those who may be attracted to purchase or rent housing the region. Whilst it is unlikely that all of these workers will want or need to live in the region, this analysis provides an indication of the overall scale of the number of workers, a subset of which would benefit from access to appropriate and affordable housing within the region were it to be available.

Table 2 - Current jobs exported and projected jobs needed to 2024, also shows the projected job growth in key worker industries across the region to 2024. In

total, there are around 4,000 jobs in key industry sectors within the region that are filled by workers who live outside of the region, and an additional 2,610 jobs are projected to be created in key worker industries across the region by 2024.

It is very difficult to estimate the exact demand for housing for key workers due to the complex reasons why people choose locations to live; however, if even 20% to 30% of key workers would prefer to live in one of the South West Coast LGAs then the current shortfall and projected demand for permanent workers in the Barwon South West region to 2024 is to the order of 2,600.

Homes to support these workers would obviously need to be provided across the region, dependent on where jobs are currently located and are projected to grow.

Table 2 - Current jobs exported and projected jobs needed to 2024

	Current jobs exported	Projected job needs -2024	Total
Construction	589	400	989
Retail	720	300	1020
Accommodation and Food Services	739	190	929
Professional, Scientific and Technical Services	197	280	477
Education and Training	681	760	1441
Health Care and Social Assistance	1008	680	1688
Total	3934	2610	6844

Source: Department of Jobs and Small Business

3.3 OPPORTUNITIES FOR INTERVENTION

The opportunity for Councils to create new housing for key workers will be dependent upon the level of intervention that the Councils are prepared to leverage in the market. We have categorised each option within this report as passive, semi-intervention or proactive, which we define as follows:

- Passive: Council facilitates the key worker housing by others
- Semi-intervention: Council contributes to the development of key worker housing
- Proactive: Council is actively involved in the development of key worker housing.

There are many ways that Local Governments can influence the supply of key worker housing in their municipalities, ranging from indirect methods such as advocacy right through to direct investment in housing. These are outlined in Table 3 - Options for Councils to influence the supply of key worker housing.

Table 3 - Options for Councils to influence the supply of key worker housing

	Opportunities to participate	Passive	Semi Intervention	Proactive
Advocacy, research and information	Advocacy	✓	✓	✓
	Research	✓	✓	✓
	Education for developers	✓	✓	✓
	Community engagement	✓	✓	✓
Planning	Land supply and availability	✓	✓	✓
	Planning policies and strategies	✓	✓	✓
	Streamlined approval processes	✓	✓	✓
	Planning concessions	✓	✓	✓
	Limit the duration of time that dwellings can be used as short-term accommodation	✓	✓	✓
	Voluntary affordable housing contributions		✓	✓
Financial	Reduced development contributions, planning charges and Council rates		✓	✓
	Use of Council funds to provide infrastructure to development sites		✓	✓
	Use of Council land to facilitate development		✓	✓
	Creation of housing trusts		✓	✓
	Direct investment in housing supply			✓

The interventions in the market are explored in the Action Plan, together with recommendations for implementation.

To ensure that housing is affordable for key workers, there are a number of models of housing to consider, including:

Alternative housing models – in recent years, alternative housing models such as co-living and tiny houses have started to become more prevalent as potential "disrupters" to traditional houses and apartments. While they will not suit all households, the ability to lower housing costs by living in small and/or shared spaces is attractive to some.

Affordable design – compact lots and housing that can be delivered by the market at an affordable price point, and with sustainable design features that result in lower running costs.

Restricted or affordable purchase – price-controlled housing that is made available for purchase by those on defined incomes. The key principles are that:

- The dwelling must be offered for sale at or below the appropriate price
- The dwelling must be offered for sale to eligible buyers
- The discount for affordable housing for the first purchaser is preserved for future purchasers, either in perpetuity or for a fixed period of time.

Community Land Trust – the land upon which the dwelling is located is held in a Community Land Trust (CLT). The payment for the occupation of the land is via a peppercorn lease. The land is held in a CLT for individuals, a not for profit or a private company to develop dwellings. Finance only needs to be sought for the built form and not the land – the savings are reflected in lower rents or purchase prices.

Shared equity – the essential feature of all shared equity models is that the buyer shares the capital cost of purchasing a home with an equity partner, thereby permitting households to buy a home with lower income levels than would otherwise be required.

Build to rent – developers and their financiers build dwellings and, instead of selling them, retain them to let to tenant households. Rents may be set at market rent or, for affordable and social housing, at an appropriate discount to market rents. The National Rental Affordability Scheme (NRAS) was a build to rent model.

Rent to buy – the homes are offered at a reduced rent for a minimum of five years and let on assured short-hold tenancies for a fixed term. The model being adapted in Australia is that, after five years of renting, the tenant has first option to purchase the dwelling at a price agreed at the commencement of the five years. If the tenants do not want to buy, the landlord can retain the property as rented housing or sell it on the open market.

Tiny homes/relocatable housing – compact dwellings that are manufactured off site (now they are often architecturally designed studio units) and provide high quality and reliable homes at a cost effective price point. The dwellings can range from fully off grid (with some being constructed on trailers for moveability) to more permanent homes that are placed on serviced lots with prepared foundations.

Social housing – this is housing owned by a State Government or by a community housing organisation. Typically, community housing organisations will seek to develop and build units or apartments.

The variety of housing models should be considered against the income groups as follows:

Table 4 – Application of housing models to income groups

Type	Very Low Income	Low Income	Moderate Income	Key Workers
Alternative models		✓	✓	✓
Affordable purchase			✓	✓
Affordable by design			✓	✓
Shared equity			✓	✓
Build to rent		✓	✓	✓
Rent to buy			✓	✓
Community Land Trusts	✓	✓	✓	✓
Tiny homes/relocatable	✓	✓		✓
Social housing	✓	✓		✓

3.4 CASE STUDIES

Details of some of the case studies that were reviewed during the investigation phases of the project are provided below to illustrate some of the approaches suggested in the actions.

Case Study: Affordable key worker housing partnerships

The South Australian Government's "More affordable tenancies for community housing" (MATCH) program targets partnerships between housing associations, Councils and State Government to supply affordable housing for workers. Tatiara Council, in support of the abattoir at Bordertown, has worked with Unity Housing and the South Australian Government to deliver housing for workers.

Case Study: Infrastructure grants

Regional Infrastructure Fund

This Victorian Government program was a single round of funding in the 2019/2020 financial year. The Regional Infrastructure Fund provided grants for infrastructure projects that stimulate economic activity in regional Victoria. Within the study area, projects that obtained funding under the program included the Henty Employment Precinct Infrastructure Upgrade (Glenelg Council) for road, water and stormwater infrastructure.

Building Better Regional Cities Program

This federal program, which ended in 2014, aimed to facilitate the provision of affordable housing in regional Australia by providing funding to local councils for infrastructure projects to expedite the release of land and support an increase in affordable housing. Local councils were required to co-contribute to the project by providing discounts/rebates on the sale price for eligible purchasers.

Warrnambool City Council was one of the recipients of funding under this program. Their North Dennington Housing Affordability Program included road upgrades and the provision of grants of up to $20,000 for home purchasers. From 2013 to 2018, the program assisted 51 households that had an annual gross household disposable income of $55,000.

Case Study: Key worker housing for medical staff

Bowden Brompton, SA

Bowden Urban Village (BUV) is one of South Australia's flagship urban renewal projects. The project is being delivered through the Urban Renewal Authority (URA). The URA is acting as the master developer and selling super lots to developers. The site includes the Unity Housing apartments, which are being sold to key workers on moderate incomes who meet the affordability criteria set by the government.

The affordable housing within the BUV Project has not been concentrated into any one area. The affordable housing also covers many tenures – community rental, (social rental through a housing association), private rental at discount to market, financial products such as shared equity, low-cost purchase, and purchase. This was seen as important – recognising that the various tenure types allow various sections of the community access to housing to meet their needs. It was also important that any affordable housing be indistinguishable in quality from all other housing in a community. The financial and low-cost purchase options in recent releases have been purchased almost exclusively by health care workers at the nearby new Adelaide Hospital.

Pilbara Cities

'Pilbara Cities' is the Western Australian Government's vision to transform two mining towns into vibrant urban areas. The initiatives include the following:

- General Practitioner Housing Project, where seven 3- and 4-bedroom dwellings were constructed in Port Hedland and rented to general and medical practitioners at a subsidised rate. The project has increased the retention of medical staff in the area.
- City of Karratha Staff Housing Project, where twelve dwellings were constructed to provide guaranteed accommodation for highly qualified technical and professional City of Karratha staff.

Case Study: Relocatable and "tiny" houses

Relocatable housing has traditionally been used in the resources industries, and uses basic designs and finishes. A newer trend for relocatable housing is tiny houses on wheels ("THOWs"), many of which are designed to be "off-grid" from any reticulated services. Tiny houses can provide temporary or longer-term affordable housing options, and can be suitable for location in urban areas (in

backyards or on separate titles), on rural properties, or on vacant land prior to its development for other purposes. There is also a growing interest in creating tiny house communities where several dwellings are clustered together in rural or urban settings.

There are a number of Australian companies that construct tiny houses, with many turn-key options able to be purchased for (often significantly) less than $100,000. Examples of some products are provided in Figures 2 to 4 below.

If connections to services are required, this does increase costs but can still often be done in a cost-efficient manner. The Launch Housing project mentioned below resulted in a cost per unit of $167,000 for dwellings with connections to reticulated services.

In Victoria, it is often unclear via planning schemes and local by-laws where THOWs can be located and how long they can be used for. Councils often have local by-laws that restrict their occupation to just a few weeks a year if they are parked in a permanent location that is not a dedicated caravan park or similar.



Figure 2 Formflow tiny house (formflow.net.au)



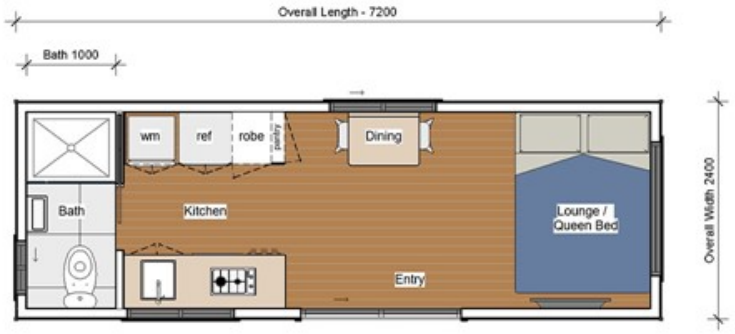


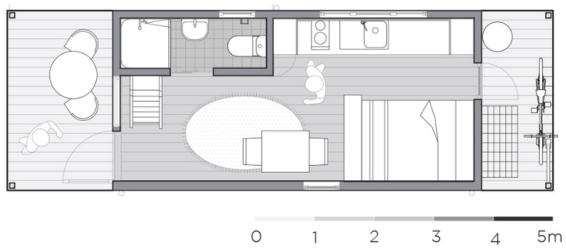
Figure 3 Coolum 7.2 tiny house (aussietinyhouses.com.au)

Launch Housing: Harris Transportable Housing, Melbourne

Launch Housing is using nine parcels of vacant VicRoads land in Footscray and Maidstone to create 57 tiny homes for people with a chronic experience of homelessness. They are utilising the Fredi transportable home model, which has 20sqm of internal space with a 9sqm verandah. It is designed with passive heating, shading and cooling) to achieve a 6+ star rating for reduced occupant running costs.



Figure 4 - Fredi transportable home (*fredimodular.com.au*)



Escalante Tiny House Village, USA

This tiny home neighbourhood in Durango, Colorado provides 24 dwellings with a shared communal space. With a median house price of $430,000(USD) in Durango, the village offers an affordable option for tiny homeowners to lease a site for $500 a month. There are also tiny homes on the site available for rent for $1,000 to $1,250 per month.



Case Study: Limiting the use of housing for short-term accommodation

Short Stay Accommodation Act 2019 Tasmania

Tasmania requires the hosts of short-term accommodation premises to obtain a planning permit for the use of their dwelling for this use unless they meet certain exemptions, such as the dwelling being the main place of residence for the host, or where existing use rights apply. The booking platform operator (such as Airbnb) may also be required to collect information from hosts regarding whether they have or need a planning permit.

Regulatory Framework for Short Term Accommodation in NSW

NSW is implementing a new regulatory framework for short-term accommodation. Dwellings that are not located on bushfire prone land or a flood control lot, and where the host is not present, that are used for 180 to 365 days per calendar year (with each council to decide its own timeframe) in regional areas is “exempt development” that does not require planning approval, with other dwellings requiring planning approval.

Case Study: Residential Development of Council Land

Sloan Street Development, Northern Grampians

Northern Grampians Council rezoned a parcel of their land in Stawell for residential purposes and then invited developers to submit proposals for the purchase and development of the land for residential purposes. The Council set terms and conditions, which included the provision of a diverse range of housing on the site. A $500,000 grant was also secured from the State Government's Regional Infrastructure Fund with an equivalent matched funding contribution from the Council to extend services to the site.

Grantham redevelopment, Lockyer Valley Regional Council in partnership with the Commonwealth and Queensland Government and the private sector

In response to the 2011 floods, Lockyer Valley Regional Council, with support from the Commonwealth and Queensland Government, designed and constructed a new estate of 120 lots in Grantham. The estate provided flood impacted families and key workers with the ability to relocate from flood prone areas.

4 REGIONAL ACTIONS

The key worker housing actions that are applicable to the entire region (or that are common across all Councils) are set out in this chapter.

(Actions that are particular to individual Councils are set out in Sections 5 to 10 of this Plan).

Action R1: Investigate the creation of a Community Land Trust for the region

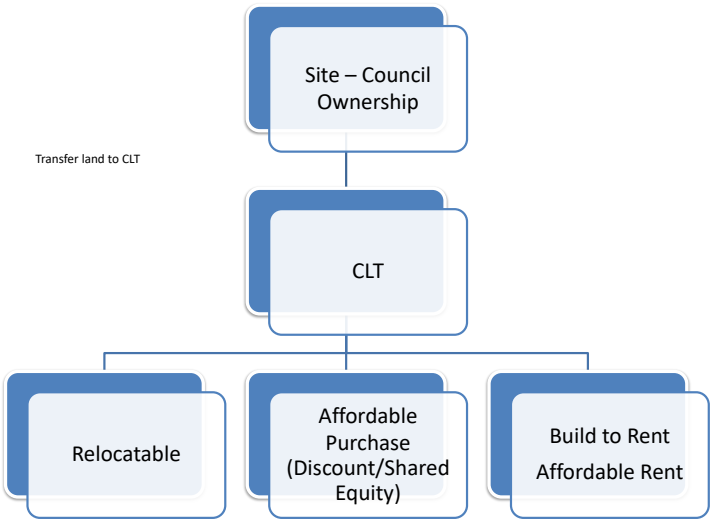
In most instances, the development of affordable and appropriate housing for key workers requires a financial subsidy for it to meet established property industry benchmarks. The contribution of the land is generally a significant factor in determining if the benchmarks can be met.

If Councils were to contribute land, it should only be on the basis that the land is for the purposes of developing housing for key workers. Establishment of a Community Land Trust (CLT) for the region could meet this purpose. If a CLT is established, it must be operated in perpetuity exclusively for public charitable purposes, which in this case is the provision of affordable housing in the region for eligible (key worker) residents.

The CLT holds the land for purposes to facilitate affordable and appropriate housing for key workers in the locale. The housing type could be a combination of tenures or singular tenure as shown in Figure 5. The CLT would require the contribution of land at no cost. Councils could consider the contribution of land through either a straight transfer for a nominal amount or land leased to the CLT for a period of 50 years (refer to Action R2 for further details). Active asset management of properties must be a requirement of any CLT.

A CLT could also take co-contributions for industry groups to facilitate housing outcomes.

Figure 5 - CLT Commercial Model



Timing: Medium Term

Responsibility: Regional Shires and CEOs

Action R2: Investigate and provide vacant State and Federal Government land to the regional Community Land Trust

The capital development costs in most locations allow for a reasonable financial return, but not the higher returns that would attract developers and investors to invest in the region. To lower the cost of development and encourage developers to invest in the region requires the removal of some costs. The supply of land to be developed and targeted at affordable and appropriate housing for key workers is critical. Council should work with Federal and State Government to identify land that is not developed or underdeveloped (such as VicTrack land) and could be developed for housing. The land could be contributed to the CLT for a period of 50 years on a peppercorn lease. The contribution of the land would be on the basis that housing is developed for a build to rent program. Alternatively, the land could be leased to a registered housing association to build affordable housing for key workers. The housing must be provided to key workers.

Any dwellings created through this process could be rented at a reduced market rent that is appropriate for the key workers. An example is London Liveable Rents, where properties are rented at 50 -80% of market value to identified key workers, with the outcome being that no more than 30% of income is paid in rent.

Timing: Short term

Responsibility: Councils, State Government, Federal Government

Action R3: Establish a regional key worker housing program

The Councils should work with the Victorian Government to establish a program that supports affordable tenancies for key workers in regions (refer to the case studies in Section 3.4 for examples of these). The program could see housing developed on Council or CLT land, with the housing associations developing, maintaining and managing the housing specifically for key workers (allowing for the housing associations to raise debt associated with the development costs). The State Government would provide capital grants between the debt the housing associations could raise for development and the actual cost of the development. Active asset management of any rental properties would be critical to any long-term success of a key worker housing program.

Timing: Medium term

Responsibility: Councils, State Government

Action R4: Support the access and consider appropriateness of waiving stamp duty for over 65s

An identified problem has been the low turnover of housing stock, with one of the contributing causes being that older people are not moving to more appropriate housing even though some are willing to move. The sale of the existing home and purchase of the new home, including stamp duty, means that there is no benefit when the stamp duty is considered. Waiving of stamp duty on the purchase of new properties within the region for long-term owner occupiers remaining within the region would encourage the turnover of stock.

Timing: Short term

Responsibility: Councils, State Government – Department of Treasury and Finance

Action R5: Advocate to Federal Government to allow visa holders to purchase dwellings without financial consequences

Multiple key stakeholders and businesses across the region identified a problem with visa holders being deterred from purchasing dwellings because of additional government charges that made the purchase financially unviable. These visa holders working in the region are renting housing because if they purchase dwellings there is a significant financial penalty added to the purchase price. Allowing visa holders to purchase dwellings, as owner occupiers only, without the additional financial implications imposed would free up more rental housing within the regions.

Timing: Short term

Responsibility: Councils, Federal Government

Action R6: Advocate to Federal and State Government for a national build to rent program

The broader property industry and its representative industry bodies have been advocating for a national Build to Rent program. Making this model attractive to investors requires contributions or subsidy from Federal or State Government.

The study has shown the need for the development of quality, appropriate and affordable housing, but in almost all areas there is a need for a subsidy to make the housing affordable to rent by key workers. Councils could participate in this advocacy campaign with an emphasis on achieving outcomes within and across the region. In addition, active asset management of any rental properties created by a build to rent program would be appropriate.

Timing: Short to long term

Responsibility: Councils

Action R7: Advocate for Federal and State Government to provide regional grant programs

The Federal and State Governments periodically run regionally-focused programs through which Councils can seek funding for projects that could assist with the provision of key worker housing. As per the case studies discussed in Section 3.4, these could include the installation of infrastructure and grants to low to moderate income households looking to purchase dwellings.

For some towns where land costs are lower, the cost of infrastructure is prohibitive for projects with marginal feasibilities, creating a disincentive for development. Regional infrastructure grant programs would provide the opportunity to contribute to the construction of key infrastructure items such as road, sewage, water and/or stormwater to encourage landowners to develop their land rather than “land bank”.

This advocacy action relates to encouraging Federal and State Government to consider running new programs in the future. Any of the other recommended actions that require Council funds to proceed could potentially be eligible for such grant programs.

Timing: Short to long term

Responsibility: Councils State Government, Federal Government

Action R8: Advocate for infrastructure service agencies to reduce or waive connection fees for key worker housing projects

The capital development costs in most locations allow for a reasonable financial return but not the higher returns that would attract developers and investors to invest in the region. To lower the cost of development and encourage developers to invest in the region requires the removal of some costs. Currently, statutory authorities require fees for new connections of services to new properties. The region should seek to have all statutory authorities reduce or waive fees for new residential developments. The equivalent of the statutory authority fees must be focused on achieving land at affordable rates for development of housing for owner occupier key workers. Alternatively, grants could be provided for necessary trunk infrastructure to enable development.

Timing: Short term

Responsibility: Councils, State Government

Action R9: Ensure there is an adequate ongoing supply of land available for residential development

Clause 11.02-1S of the Planning Policy Framework requires Councils to plan for at least a 15-year ongoing supply of residential land within their municipalities. Ensuring that structure planning and planning scheme amendments for rezonings occur in a timely manner is essential to provide an efficient housing market.

Timing: Short to long term

Responsibility: Councils

Action R10: Include planning scheme policies that are supportive of key worker and affordable housing

All Councils should ensure that their planning schemes reflect the importance of providing key worker housing and addressing wider affordable housing issues. This will signal to developers and registered housing associations that these kinds of development proposals will be welcomed and will assist Councils in prioritising these projects.

The Minister for Planning has established a Ministerial Advisory Committee to consider the potential to apply planning mechanisms for the delivery of affordable housing across metropolitan Melbourne. The outcomes of this process are yet to be determined by the State Government at the time of preparing this Action Plan.

Timing: Short to medium term

Responsibility: Councils

Action R11: Investigate providing planning concessions for key worker and affordable housing projects

There is a range of planning concessions that Councils can provide for key worker and affordable housing proposals. The most effective of these are building height and density bonuses, but these have limited applicability in the Barwon South West region which has lower scale and lower density built form than Victoria's larger cities. However, Councils could investigate whether there are any that they are willing to apply to such projects.

Timing: Short to medium term

Responsibility: Councils

Action R12: Quantify residential development opportunities and constraints

Councils should identify all the land that is available (both public and private) for residential development within the municipality, in particular, the land in the major towns and coastal centres. This could include Council car parks that have the ability to be subdivided to all for an air rights title that could then be developed as housing for key workers. Identified land parcels should then have a preliminary yield study undertaken to quantify the number of dwellings that could be developed – this study should include conventional, small lot and medium density styles.

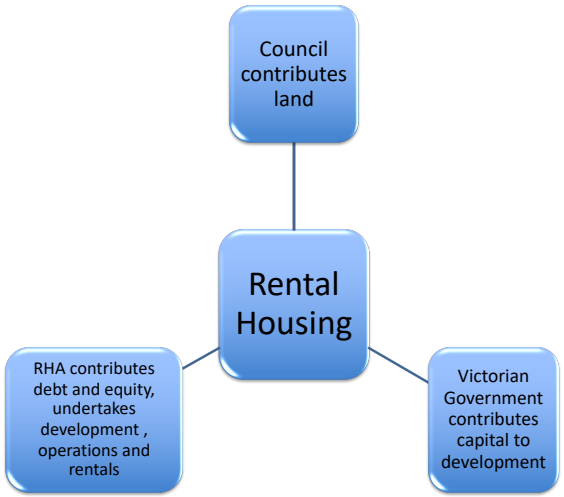
Council should undertake a review of all permits issued for development that have not been progressed to construction in order to better understand the specific barriers to creating housing outcomes in each given location. Where acting on such approvals is being prevented by factors that Council or other levels of government can influence (e.g. access to trunk infrastructure), then actions should be taken to facilitate the commencement of such developments.

Council can undertake a review of all its assets and consider whether there are any sites that would be available for residential use and, if so, sell the sites using a deliberative development model that would see the sites sold for use of housing for key workers that is affordable and appropriate or contribute the sites to the CLT. This is particularly applicable in major towns.

The review should also include at grade car parks and consider creating air right titles. Council could establish an EOI process for the sites to be leased at peppercorn rents for a period of 50 years for the purposes of creating affordable and appropriate housing for key workers.

Councils can also leverage partnerships with large employer groups to be co-contributors to housing outcomes through a registered housing association.

Figure 6 - Potential Lease Model for land to create housing



Timing: Medium term

Responsibility: Councils

Action R13: Continue to undertake and publish research into regional key worker housing issues

This action plan is an example of a research project that quantifies the problem, explores potential solutions and provides a resource that can be used for advocacy regarding key worker housing issues. To track progress on the actions being undertaken, ensure that up-to-date data is on hand, and identify any additional actions that could assist in addressing key worker housing issues, research should be undertaken at key milestones (such as the release of updated census data).

Timing: Medium to long term

Responsibility: Councils, State Government

Action R14: Prepare guidance material for developers

Councils should prepare guidance material on specific key worker typologies and affordable housing projects to signal to developers and registered housing associations that these kinds of development proposals will be welcomed, and to assist them in the preparation of any necessary approval application documentation. These could include guidelines on:

- Co-living developments
- Tiny house villages
- Tiny houses in backyards of existing dwellings
- Affordable housing projects, including criteria such as:
    - Ensuring developments are indistinguishable from surrounding dwellings
    - Proximity to services and facilities
    - Minimising future occupancy and energy costs to the resident
    - Minimising future maintenance costs to the owner
    - Including universal design and sustainability enhancements.

Timing: Short to medium term

Responsibility: Councils

Action R15: Regularly engage with the community on key worker housing issues

Explaining the importance and challenges of providing key worker housing to the community will assist when there are future development proposals for key worker housing, especially if that housing takes a different form to current housing typologies.

Informed developers and local communities are more willing to accept different key worker housing typologies and affordable housing if they understand the need for it and have any concerns allayed regarding what types of tenants may be living in the dwellings. Increasing community awareness of and support for affordable housing could potentially also help to create greater pressure on developers to commit to voluntary provision.

This action could include the release of publications and articles and the use of public relations opportunities to promote key worker and affordable housing in a positive manner to residents in the region.

In some municipalities where there has been community resistance to change, this may form part of a wider education campaign on the importance of providing diverse housing typologies and price points that include medium density housing options.

Timing: Short to long term

Responsibility: Councils

Councils

Action R16: Ensure adequate housing for DAMA

Designated Area Migration Agreement (DAMA) aims to fill regional labour shortages. The agreement enables employers to sponsor oversees workers. The quantity of applicants should be accounted for in future demographic projections and to allow for suitable worker and affordable housing.

Timing: Short to long term

Responsibility: Federal and State Government, Councils

Action R17: Provide State Government support to fast track and streamline planning scheme amendments for residential land

The availability of land in a timely and expedient manner for residential development in rural towns is important, including for affordable and key worker housing. The time and resources needed to carry out strategies and rezone land can be extensive. Councils need to be supported by State Government in strategic planning and fast tracked and streamlined rezoning processes to drive new investment.

Timing: Short to long term

Responsibility: State Government and Councils

Action R18: Review the development potential of smaller towns

Councils should review the potential of smaller settlements and hinterland towns in a commutable distance around larger towns to accommodate growth and provide housing outcomes. If necessary, undertake rezonings where appropriate.

Timing: Short to long term

Responsibility: State Government and Councils

Action R19: Prepare detailed demographic projections

The current demographic projections for all Councils are based on business as usual. To support investment in specific Councils and the region, it is critical that detailed demographic projections are undertaken, which may include a series of options for growth ranging from low to high.

The development of detailed demographic projections will include understanding how and when all development permits will be actioned and discussions with existing significant businesses to gauge growth potential. The provision of detailed demographic projections with ranges will provide investors with confidence to invest funds for development.

Timing: Short term – long term

Responsibility: State Government

Action R20: Develop and implement a rating system for existing rental properties, including an asset management system benchmark measurement and star ratings

Develop a star system for rental properties as an indicator of the quality of the property. Items that could be rated include energy efficiency, quality of bathrooms and kitchens, floor coverings and cleanliness. Council could work with the Real Estate Institute of Victoria on appropriate tools for agents to grade rental properties.

Timing: Short Term

Responsibility: Councils

Action R21: Advocate for a review of the planning controls relating to rural worker housing

On-site rural worker housing does not clearly fit within the existing planning scheme definitions. The *Land Use Terms Advisory Committee Report* (May 2018) recommended consultation with rural Councils on "the need for a definition for rural workers' accommodation and whether the accommodations should be: permanent or temporary, movable or fixed, self contained or not self contained, just for the specific farm or for a wider rural area" (p18). The Councils should advocate for this consultation and assist with the ongoing development of rural worker housing in appropriate locations.

Timing: Short Term

Responsibility: State Government, Councils

5 ACTIONS FOR COLAC OTWAY

5.1 OVERVIEW

The Colac Otway Shire covers an area of 3,438 square kilometres and in June 2018 had a population of 21,503. The Shire has two major towns: Colac and Apollo Bay.

Colac is the centre of commerce for the Shire and would be considered a moderate growth centre. Colac has significant industries including Bulla Dairy Foods, AKD Softwoods and the Australian Lamb Company. It also has a number of medical workers at the Colac Area Health facility, which includes hospital, aged care and community care services. Colac requires higher quality dwellings, medium density dwellings and some housing for temporary workers in the region.

Apollo Bay is a coastal tourist town and a major stop on the Great Ocean Road. Apollo Bay requires housing at a lower cost to support key workers. A key problem for Apollo Bay is that some 57% of dwellings were unoccupied in the 2016 census.

In the Shire, 75% of dwellings are owned and 22% rented versus 29% rented across Victoria[12]. The decrease in the number of available rental properties means key workers are less likely to access suitable rental properties within the region. The lack of rental properties leads to an increase in the price of rentals and general unaffordability of housing for key workers. The town planning approvals for new dwellings between 2014 and 2019 was 621, an average of 124 per year[13].

Colac Otway Shire housing is predicted to grow from 11,639 in 2016 to 12,620 in 2036.[14]. Colac Otway saw growth in house prices from $215,000 in 2008 to $345,000 in 2018. The medium rent has grown from $214 per week in 2013 to $324 in 2018[15]. The number of dwellings available for long-term rent has fallen from 542 in 2013 to 321 in 2018[16]. The falling number of dwellings available for rental, together with population growth, indicates that there is a lack of supply of rental properties.

The Colac Otway Shire population forecast for 2020 was 21,855 and is forecast to grow to 26,756 by 2041[17]. Over the period 2006-2016, the Shire saw falls in the percentage of population aged between 30-49 and significant growth in those aged 60 plus[18]. Those aged 60 plus are predicted to be the fastest growing group in the future.

From March 2018 to March 2019, the unemployment rate in Colac Otway fell from 5.8% to 4.8%[19]. The large industry employers in the Shire are agriculture, forestry and fishing, healthcare and social services, retail, manufacturing, accommodation and food services. In the period from 2006-2016, the growth in employment was in professional, scientific and technical services and healthcare and social assistance. The ageing population means that community and personal service workers are expected to grow in number to meet projected need.

[12] ABS 2016 Census
[13] ABS Dwelling approvals 2018/19
[14] ID Consulting - projections
[15] Victorian Valuer General, A Guide to Property Values, 2019
[16] DHHS Annual Report 2018 - 19
[17] ID Consulting – population projections
[18] ABS 2016 Census
[19] Small Labour Markets 2019

Tourism continues to be an important part of the economy with peak periods for day trips being in January, March and October. Overnight visitations peak from December to April, with January having occupancy rates for holiday house rentals at 74%.[20]

The key issues facing Colac Otway Shire are:

- The region has experienced minimal growth in new housing stock compared with population growth
- There is a high proportion of unoccupied and underutilised dwellings that are now short-term rentals particularly in tourism destinations
- The decrease in the number of available long-term rental properties means key workers are less likely to access suitable rental properties within the region
- The increase in median rent indicates a lack of supply of rental properties across the region
- A portion of each of the Barwon South West regionLGA's workforce is travelling large distances for employment.

Colac Otway Shire has indicated that it wishes to pursue a semi intervention level of intervention in the market to facilitate key worker housing.

The key workers and housing needs identified for Colac Otway Shire are outlined in Table 5 - Key and essential worker housing needs for Colac Otway by town. These are based on the definition of affordable housing, income analysis of key workers and qualitative research as outlined in Table 1 - Income by occupation of residents across region, 2016.

Figure 7 - Colac Otway Shire



[20] National Visitor Survey, Tourism Awards 2019.

Table 5 - Key and essential worker housing needs for Colac Otway by town

Town	Key and essential workers	Housing needs
Colac	Construction Retail Accommodation and food services Healthcare and social assistance Education Manufacturing/labour	Higher quality dwellings and medium density dwellings suited to workers on higher wages from healthcare and professional service sectors Dwellings for temporary workers
Apollo Bay	Accommodation and food services Retail Healthcare and social assistance Education	Lower cost housing to support workers in coastal tourism townships, and improved transport connections to hinterland towns to support jobs growth in these sectors

5.2 ACTIONS

Action CO1: Undertake structure planning and masterplanning for the development of greenfield residential land in Colac

While Colac has significant areas of land zoned for residential development on its urban edges, ownership is highly fragmented and development has been occurring on an ad-hoc basis. Much of the available land is low lying and drainage issues are common. By taking an active role in planning for the development of these sites, Colac Otway Council can facilitate the development of new dwellings that will assist in providing the higher quality dwellings that are needed in Colac to attract workers on higher wages.

Council adopted a Colac 2050 Growth Plan in 2018 that identifies areas for future residential growth. This plan flagged the need for further detailed planning in the growth areas and Council has identified the need to fund a $350,000 outline development plan for Colac West to facilitate future rezonings. This plan would identify required infrastructure and development contributions. Council needs to secure funding to do this next level of planning. In the future, this may include seeking infrastructure grants to fund key civil infrastructure to assist with development costs.

Timing: Short to medium term

Responsibility: Colac Otway Shire with potential assistance from VPA

Action CO2: Investigate funding infrastructure in greenfield residential areas

To assist with overcoming issues associated with fragmented ownership and drainage issues, Council could look to fund some of the required infrastructure upgrades, potentially with assistance from grants from the State or Federal Government. This would make the construction of dwellings more attractive to developers, especially where profits are marginal with current development costs.

Timing: Short to long term

Responsibility: Colac Otway Shire

Action CO3: Review the strategic planning and statutory controls for medium density developments in Colac and Apollo Bay

The analysis has identified that Colac needs more medium density housing, and Apollo Bay needs more lower cost housing, which could also be achieved via medium density housing. Clause 21.03 of the *Colac Otway Planning Scheme* identifies areas for urban infill in these townships that are within the General Residential Zone. Council could review the medium density areas as part of structure plan updates (both the Colac and Apollo Bay Structure Plans are 13 years old) to see whether additional sites could be incorporated and to identify whether any adjustments to the planning scheme policy controls (e.g. the introduction of a medium density housing policy and/or a specific schedule to the General Residential Zone) would help encourage more medium density development.

Timing: Short to medium term

Responsibility: Colac Otway Shire

Action CO4: Investigate constructing high-quality rental housing for medical staff

If attracting and retaining medical staff to the Colac Area Health facility remains an issue, Council and State Government could investigate constructing and renting out housing for medical staff, as per the Pilbara Cities case study (refer to Section 3.4). The purpose of providing such housing would to be to provide new high-quality housing that is rented at market rates to doctors or management staff. Funding and/or ownership of the housing could be via a joint approach from Council, State Government and Colac Area Health.

Timing: Medium to long term

Responsibility: Colac Otway Shire, State Government, Colac Area Health

Action CO5: Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of "temporary villages"

Council or other parties could invest in relocatable dwellings such as tiny houses that could be used throughout the year for seasonal agricultural and tourism workers. If these are partially or fully off grid, they can potentially be moved around as temporary villages where the various workforces are located (e.g. Apollo Bay in summer for tourism workers, and inland locations at other times of the year for agricultural workers).

Council and/or State Government could potentially provide any vacant land they may have available or help identify locations where the dwellings could be located (including future development sites). Council could also assist with any planning approvals needed if it is determined that these temporary villages require permits.

Private landowners could also be encouraged to provide relocatable dwellings on their properties (e.g. single units in back yards) to increase the availability of such accommodation. Council could release a guideline document setting out how this could be achieved (refer to Action R14 for further details).

Timing: Short to medium term

Responsibility: Colac Otway Shire, major employers

Action CO6: Improve the bus service between Apollo Bay and Colac

The cost of housing in Apollo Bay and lack of future growth options mean that some workers will need to travel from inland locations to access employment in the township. The existing bus service between the two towns runs in the morning and evening. In order to provide a more sustainable transportation option and make living in Colac a more viable option for people working in Apollo Bay, a greater frequency of service would be of assistance.

Timing: Short to long term

Responsibility: Colac Otway Shire, State Government – Department of Transport

Action CO7: Advocate for the Department of Health and Human Services to upgrade social housing

Colac has a sufficient quantity of existing Director of Housing dwellings that are in need of repair/redevelopment. Council should commence discussions with the Office of Housing to commit funds to the redevelopment of these properties with the express purpose of achieving housing that will meet the needs of Colac in the future. The housing should include some medium density options. Colac could consider redevelopments such as Corio Norlane where the new Director of Housing dwellings were incorporated into a broader redevelopment with private housing. In this instance, Council should advocate for the broader housing to be targeted at key workers.

Timing: Short to medium term

Responsibility: State Government- Department of Health and Human Services

Action CO8: Seek affordable housing contributions from developments and rezonings

Current State Government legislation provides for Local government to seek contributions for affordable housing on a voluntary basis. Council could develop an affordable housing policy document and planning scheme amendment to set out the basis for seeking such amendments for new developments.

Where a planning scheme amendment is prepared for new planning controls on a site and an agreement is reached that the rezoning is contingent on providing an affordable housing contribution, the new zone and/or overlay schedules can refer to this as a requirement.

Any proposed policy needs to define the anticipated need for affordable housing and the types of considerations that Council will take into account in determining what might be an acceptable contribution. As set out in Section 3.3, there is a range of tenure models that could be considered.

Timing: Short to medium term

Responsibility: Colac Otway Shire

Action CO9: Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing

Council should investigate the financial implications of reducing or waiving planning application fees and/or any applicable development contributions for projects by registered housing associations to encourage and increase the viability of affordable housing projects. It could also consider providing discounts on Council rates for affordable housing tenants. There are a number of Councils in Victoria who provide similar concessions.

Timing: Short term

Responsibility: Colac Otway Shire

Action CO10: Creation of a Community Land Trust

Council has indicated a semi-active approach to the development of housing. The case study work indicates that supporting the development of new dwellings requires a financial grant. If Council was to consider contributing, it would be on the basis that any new development achieves appropriate and affordable housing for key workers. To ensure that the land continues to be used for the purpose of designated, affordable and appropriate housing for key workers – if the region does not establish a regional CLT – Council should consider establishing its own CLT. The housing type could be a combination of tenures or singular tenure as shown in Figure 5 - CLT Commercial Model. The land can be contributed as a 50 year lease (the maximum term under the *Local Government Act*) or a straight contribution.

Timing: Medium Term

Responsibility: Colac Otway Shire and State Government

Action CO11: Facilitate and assist to develop a concept for seasonal workforce housing including seeking investors and co-ordinating usage

In the course of preparing the case studies for this report, a number of stakeholders identified that opportunities may also exist to deliver alternative forms of housing. In particular, the type of housing product is expected to meet the housing needs of key workers who are residing in the area for an extended period of time (but not permanently), such as those involved in construction projects, industrial maintenance, tourism or agricultural activities. Individually, the industries are not able to support the provision of housing for their temporary workers. Council could facilitate coordination across industry groups to assure occupancy of properties for the majority of the year. For example, those involved in industrial maintenance can be scheduled around tourism and agriculture. The built form would need to be cost-effective to deliver and located within towns.

The co-ordination of the occupancy in a continuous cyclical manner will provide confidence that there is sufficient need and occupancy to attract investors. The land for such developments will need to be within a reasonable commute of the required industries. This could be land that is within the CLT or Council land that is leased for 50 years.

Timing: Short to medium term

Responsibility: Colac Otway Shire

6 ACTIONS FOR CORANGAMITE

6.1 OVERVIEW

Corangamite Shire covers an area of 4,408 square kilometres and in June 2018 had a population of 16,140. It has one significant town, Camperdown. Corangamite has suffered population decline from 2001 to 2016.

The Shire's major industries are twofold being energy – both gas and renewable – and industries associated with agriculture production and manufacturing, including Camperdown Dairy. Approvals are in place for the development of major tourism activities and accommodation within the Shire.

Camperdown is a regional service centre with low population growth. There is a need to support investment in higher quality, large dwellings and medium density dwellings and housing for temporary workers.

In the Shire 76% of dwellings are owned and 19% rented versus 29% rented across Victoria[21]. The decrease in the number of available rental properties means key workers are less likely to be able to access suitable rental properties within the region, with this being borne out by the number of workers who travel into the Shire for work from adjoining municipalities. The lack of rental properties leads to an increase in the price of rentals and general unaffordability of housing for key workers. The town planning approvals for new dwellings between 2014 and 2019 was 246, an average of 49 per year[22]. The Shire housing is predicted to by 139 dwellings from 7,713 in 2016 to 7,852 in 2036.[23].

The Corangamite Shire population forecast for 2020 was 16,225 and is forecast to grow to 16,574 by 2036[24]. Corangamite saw minimal growth in house prices from 2008 to 2018. The median rent has grown from $224 per week in 2013 to $262 in 2018[25]. The number of dwellings available for long-term rentals has fallen from 268 in 2013 to 195 in 2018.[26]. The decreasing number of dwellings available for rent together with population growth indicates that there is a lack of supply of rental properties.

Between 2006 and 2016 Corangamite Shire saw falls in the percentage of the population aged between 0-19 and 30-49 years of age and significant growth in those aged 55 plus[27]. Those aged 65 plus are predicted to be the fastest growing group in the future.

From March 2018 to March 2019, the unemployment rate in Corangamite went from 2.5% to 2.8%[28]. The large industry employers in the Shire are agriculture, forestry and fishing, healthcare and social services, retail, education and training, construction, manufacturing and accommodation and food services. In the period from 2006 to 2016, growth in employment was in arts and recreation services, professional, scientific and technical services, administrative services and healthcare and social assistance. The ageing population means that community and personal service workers are expected to grow in numbers to meet demand.

[21] ABS 2016 Census
[22] ABS Dwelling approvals 2018/19
[23] ABS Dwelling approvals 2018/19
[24] ID Consulting - projections
[25] Victorian Valuer General, A Guide to Property Values, 2019
[26] DHHS Annual Report 2018 - 19
[27] ABS 2016 Census
[28] Small Labour Markets 2019

Tourism continues to be an important part of the economy with peak periods for day trips being in January to May. Overnight visitations peak from November to January, with January having occupancy rates for holiday house rentals at 74%.[29]

The key issues for Corangamite Shire are:

- The region has experienced minimal growth in housing stock and housing prices
- The decrease in the number of available rental properties means that key workers are less likely to be able to access suitable rental properties within the region. Together with the increase in median rent, this indicates a lack of supply for rental properties across the region
- A portion of each Barwon South West LGA's workforce is travelling large distances for employment
- The cost of developing land and buildings is such that it does not allow for commercial returns.

Corrangamite Shire has indicated that it wishes to pursue a proactive level of intervention into the market to facilitate key worker housing.

The key workers and housing needs identified for Corangamite Shire are outlined in Table 6 - Key and essential worker housing needs for Corangamite by town. These are based on the definition of affordable housing, income analysis of key workers and qualitative research as outlined in Table 1 - Income by occupation of residents across region, 2016.

Figure 8 Map of Corangamite Shire



Table 6 - Key and essential worker housing needs for Corangamite by town

Town	Key and essential workers	Housing needs
Camperdown	Healthcare and social assistance	Higher quality large dwellings
	Education	Medium density dwellings
	Manufacturing/labour	Dwellings for temporary workers

[29] National Visitor Survey, Tourism Awards 2019.

6.2 ACTIONS

Action C1: Prioritise the rezoning of land identified for residential expansion in the *Simpson Structure Plan*

The *Simpson Structure Plan* (which at the time of writing is being finalised) will recommend that the township be expanded through the rezoning of additional residential land, and that this be the principal location for key worker housing, particularly for tourism and energy industry workers. In order to provide as many opportunities as possible for higher quality large dwellings to be constructed, the rezoning of this land should be prioritised. The State Government should, if possible, provide additional resources to help fast track the rezoning process.

Timing: Short term

Responsibility: Corangamite Shire

Action C2: Investigate funding sewer infrastructure to the Simpson residential expansion area

The Simpson residential expansion area will require sewer upgrades before it can be developed. To encourage development as soon as possible, Council could look to contribute to the upgrades, potentially with assistance from grants from the State or Federal Government.

Timing: Short to long term

Responsibility: Corangamite Shire

Action C3: Review the strategic planning and statutory controls for medium density developments

The analysis has identified that Corangamite needs more medium density housing options for key workers. Clause 21.06-1 of the *Corangamite Planning Scheme* supports infill development in parts of Camperdown south of the railway line. The Simpson & Timboon Structure Plan project is currently underway, with residential development as one of the considerations.

The Simpson and Timboon project should clearly identify any medium density development opportunities. Any future updates to the *Camperdown Township Structure Plan* should also identify infill development opportunities, while of course continuing to protect the heritage character of the town centre. Residential opportunities in Terang and Cobden should also be reviewed.

Any subsequent planning scheme amendments should identify whether any adjustments to the planning scheme controls (e.g. the introduction of a medium density housing policy and/or a specific schedule to the General Residential Zone) would help encourage more medium density development.

Timing: Short to medium term

Responsibility: Corangamite Shire

Action C4: Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of "temporary villages"

Council or other parties could invest in relocatable dwellings such as tiny houses that could be used throughout the year for seasonal agricultural and tourism workers. If these are partially or fully off grid, they can potentially be moved around as temporary villages where the various workforces are located (e.g. tourism locations in summer for accommodation and hospitality workers, and inland locations at other times of the year for agricultural workers).

Council and/or State Government could potentially provide any vacant land they may have available or help identify locations where the dwellings could be located (including future development sites). Council could also assist with any planning approvals needed, if it is determined that these temporary villages require permits.

Private landowners placing relocatable dwellings on their properties (e.g. single units in back yards) could also be encouraged to increase the availability of such accommodation. Clause 13 of the *General Local Law 2015* requires a permit to be obtained for the occupation of a moveable dwelling in a set location for more than 30 days per year. Council could consider reviewing this to enable longer term occupation of relocatable dwellings and/or waiving the permit process where the dwelling is occupied by a key worker.

Timing: Short to medium term

Responsibility: Corangamite Shire

Action C5: Seek affordable housing contributions from developments and rezonings

Current State Government legislation provides for Local government to seek contributions for affordable housing on a voluntary basis. Council could develop an affordable housing policy document and planning scheme amendment to set out the basis for seeking such amendments for new developments.

Where a planning scheme amendment is prepared for new planning controls on a site and an agreement is reached that the rezoning is contingent on providing an affordable housing contribution, the new zone and/or overlay schedules can refer to this as a requirement. This could potentially be pursued as part of the rezoning of land in Simpson following the preparation of the structure plan.

Any proposed policy needs to define the anticipated need for affordable housing, and the types of considerations that Council will take into account in determining what might be an acceptable contribution. As set out in Section 3.3, there are a range of tenure models that could be considered.

Timing: Short to long term

Responsibility: Corangamite Shire

Action C6: Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing

Council should investigate the financial implications of reducing or waiving planning application fees and/or any applicable development contributions for projects by registered housing associations to encourage and increase the viability of affordable housing projects. It could also consider providing discounts on Council rates for affordable housing tenants. There are a number of Councils in Victoria that provide similar concessions.

Timing: Short term

Responsibility: Corangamite Shire

Action C7: Create a Community Land Trust and contribute Council land for projects

Council has indicated a proactive approach to the development of housing. The case study work indicates that supporting the development of new dwellings requires a financial grant. If Council was to consider contributing land, it would be on the basis that any new development achieves appropriate and affordable housing for key workers. To ensure that any contributed land continues to be used for the purposes designated then, if the region does not establish a regional CLT, Council could consider establishing its own CLT. The housing type could be a combination of tenures or singular tenure as shown in Figure 5 - CLT Commercial Model. The land can be contributed as a 50 year lease (the maximum term under the *Local Government Act*) or as a straight contribution.

Timing: Medium term

Responsibility: Corangamite Shire, State Government

Action C8: Directly invest in supplying key worker housing

Placing land into a housing development at no cost or other planning mechanisms may not be sufficient to facilitate the development of housing as desired by Council. Council can also consider undertaking the development of housing itself or investing in development as a contributor. On the basis that the housing is targeted towards key workers, Council should consider relationships with registered housing associations who can raise debt, have the benefit of Not for Profit (NFP) status and much lower margins for return on monies invested and thus deliver developments at a lower cost. Council could undertake an EOI process to establish which RHA would be suitable. The EOI process can highlight the contribution required to achieve the development of housing. Council could consider contributions to make up the additional funds required to enable the development of housing for key workers. Council's investment could be controlled and protected via covenant, such as Section 173, on title.

Timing: Medium to long term

Responsibility: Corangamite Shire

Action C9: Facilitate and assist to coordinate specialist seasonal workforce housing

In the course of preparing the case studies for this report, a number of stakeholders identified that opportunities may also exist to deliver alternative forms of housing. In particular, the type of housing product is expected to meet the housing needs of key workers who are residing in the area for extended periods of time (but not permanently), such as those involved in construction projects, industrial maintenance, tourism or agricultural activities. Individually the industries are not able to support the provision of housing for their temporary workers. Council could facilitate coordination across industry groups to assure occupancy of properties for the majority of the year. For example, those involved in industrial maintenance can be scheduled around tourism and agriculture. The built form would need to be cost-effective and located within towns.

The coordination of occupancy in a continuous cycle will provide confidence that there is sufficient need and occupancy to attract investors. The land for such developments will need to be within a reasonable commute of the required industries. This could be land that is within the CLT or Council land that is leased for 50 years.

Timing: Short to medium term

Responsibility: Corangamite Shire

7 ACTIONS FOR GLENELG

7.1 OVERVIEW

The Glenelg Shire covers an area of 6,219 square kilometres and in June 2018 had a population of 19,665. It includes the towns of Casterton, Heywood, Merino and Portland. Glenelg Shire suffered population decline from 2001 to 2016.

The Shire's industries are based around timber production, fishing and aquaculture and agriculture. The major industries include Alcoa and energy, both gas and renewable. The Portland District Health facility (which provides acute, primary health and aged residential care services) is also a significant employer.

Portland is a regional service centre with low population growth. There is a need to support investment in higher quality large dwellings and medium density dwellings and housing for temporary workers. At the last census, 15% of dwellings in Portland were unoccupied.

In the Shire, 75% of dwellings are owned and 17% rented versus 29% rental across Victoria[30]. The decrease in the number of available rental properties means key workers are less likely to be able to access suitable rental properties within the region. The lack of rental properties also leads to an increase in the price of rentals and general unaffordability of housing for key workers. The town planning approvals for new dwellings between 2014 and 2019 was 194, an average of 34 per year[31]. Shire housing is predicted to grow by 434 dwellings from 9,957 in 2016 to 10,391 in 2036.[32].

The Glenelg Shire population forecast for 2020 was 19,811 and is forecast to grow to 20,989 by 2036[33]. Glenelg saw minimal growth in house prices from 2008 to 2018. The median rent has grown from $214 per week in 2013 to $262 in 2018[34]. The number of dwellings available for long-term rentals has fallen from 517 in 2013 to 325 in 2018.[35]. The decreasing number of dwellings available for rent, together with population growth, indicates a lack of supply of rental properties.

Between 2006 and 2016 Glenelg Shire saw falls in the percentage of population aged between 0-19 and 30-49 years of age and significant growth in those aged 55 plus[36]. Those aged 65 plus are predicted to be the fastest growing group in the future.

From March 2018 to March 2019, the unemployment rate in Glenelg went from 4.2% to 5.1%[37]. The large industry employers in the Shire are agriculture, forestry and fishing, healthcare and social services, retail, education and training, construction, manufacturing, transport, postal services and logistics, and accommodation and food services. In the period from 2006 to 2016, the growth in employment was in arts and recreation services, administrative services and healthcare and social assistance. The ageing population means that community and personal service workers are expected to grow to meet demand.

[30] ABS 2016 Census
[31] ABS Dwelling approvals 2018/19
[32] ABS Dwelling approvals 2018/19
[33] ID Consulting - projections
[34] Victorian Valuer General, A Guide to Property Values, 2019
[35] DHHS Annual Report 2018 - 19
[36] ABS 2016 Census
[37] Small Labour Markets 2019

Tourism continues to be an important part of the economy with peak periods for day trips being in September to January and March to April. Overnight visitations peak from October to January, with January having occupancy rates for holiday house rentals at 67%.[38]

The key issues for Glenelg Shire are:

- The region has experienced minimal growth in housing stock or house price growth
- The decrease in the number of available rental properties means key workers are less likely to be able to access suitable rental properties within the region
- The increase in median rent indicates a lack of supply of rental properties across the region
- The cost of developing land and buildings is such that it does not allow for commercial returns.

Glenelg Shire has indicated that it wishes to pursue a passive level of intervention into the market to facilitate key worker housing.

The key workers and housing needs identified for Glenelg Shire are outlined in Table 7 - Key and essential worker housing needs for Glenelg by town. These are based on the definition of affordable housing, income analysis of key workers and qualitative research as outlined in Table 1 - Income by occupation of residents across region, 2016.

Figure 9 - Glenelg Shire map



Table 7 - Key and essential worker housing needs for Glenelg by town

Town	Key and essential workers	Housing needs
Portland	Healthcare and social assistance	Higher quality large dwellings
	Education	Medium density dwellings
	Manufacturing/labour	Dwellings for temporary workers

[38] National Visitor Survey, Tourism Awards 2019.

7.2 ACTIONS

Action G1: Prioritise the rezoning of land identified for mixed-use or residential outcomes in the *Portland Strategic Framework Plan*

The *Portland Strategic Framework Plan* (which at the time of writing is being finalised) will recommend that investigations be undertaken to rezone land in and around the township for mixed-use, residential and rural residential and/o lifestyle development. In order to provide as many opportunities as possible for higher quality large dwellings to be constructed, these rezoning investigations and subsequent planning scheme amendments should be prioritised. The State Government should, if possible, provide additional resources to help fast track the rezoning process.

Timing: Short term

Responsibility: Glenelg Shire, State Government

Action G3: Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of "temporary villages"

Council or other parties could invest in relocatable dwellings such as tiny houses that could be used throughout the year for seasonal agricultural and energy industry workers. If these are partially or fully off grid, they can potentially be moved around as temporary villages where the various workforces are located.

Council and/or State Government could potentially provide any vacant land they may have available or help identify locations where the dwellings could be located (including future development sites). Council could also assist with any planning approvals needed, if it is determined that these temporary villages require permits.

Private landowners placing relocatable dwellings on their properties (e.g. single units in back yards) could also be encouraged to increase the availability of such accommodation. Several Councils in Victoria deem single THOWs as not requiring planning or building permits since they are moveable dwellings akin to caravans or mobile homes. The THOWs are instead regulated via local laws. In Glenelg, Clause 12.2 of the *General Local Law 2018* requires a permit to be obtained for the occupation of a moveable dwelling in a set location for more than 30 days per six months. Council could consider reviewing this to enable longer term occupation of relocatable dwellings and/or waiving the local law permit process where the dwelling is occupied by a key worker.

Timing: Short to medium term

Responsibility: Glenelg Shire

Action G4: Investigate constructing high quality rental housing for Portland Hospital staff

If attracting and retaining medical staff to Portland Hospital remains an issue, Council and State Government could investigate constructing and renting out housing for Portland Hospital staff, as per the Pilbara Cities case study. The purpose of providing such housing would be to provide new, high quality housing that is rented at market rates to doctors or management staff. Funding and/or ownership of the housing could be via a joint approach from Council, State Government and Glenelg Area Health.

Timing: Medium to long term

Responsibility: Glenelg Shire, State Government, Glenelg Area Health

Action G5: Advocate for State Government to intervene in the provision of housing for people experiencing family violence and/or homelessness

Glenelg Shire has higher rates of family violence than the Victorian average. In addition, it has higher rates of tertiary homelessness (couch surfing). The Shire has sufficient need to seek intervention by the Director of Housing. Council could consider contributing land into a transaction on a 50 year lease or at no cost, selecting a registered housing association to develop dwellings (with the RHA contributing equity and raising debt) and the State Government contributing to the capital cost of the development via a grant.

Timing: Medium Term

Responsibility: Victorian Government, Glenelg Shire

8 ACTIONS FOR MOYNE

8.1 OVERVIEW

The Moyne Shire covers an area of 5,481 square kilometres and in June 2018 had a population of 16,887. The Shire has two major towns being Mortlake and Port Fairy. Between 2001 and 2016 Moyne Shire population grew by 1,400.

The key industries in the Shire are based on agriculture production and processing, tourism and renewable energy.

Mortlake is a regional service centre with low population growth. There is a need to support investment in higher quality large dwellings and medium density dwellings and housing for temporary workers.

Port Fairy is a coastal tourism town with high visitation and the majority of housing stock is holiday homes. There is a need for lower cost housing to support key workers. At the last census 37% of dwellings in Port Fairy were unoccupied.

In the Shire 78% of dwellings are owned and 17% rented versus 29% rented across Victoria[39]. The lack of long term rental properties leads to an increase in the price of rentals and general unaffordability of housing for key workers. The town planning approvals for new dwellings between 2014 and 2019 was 476, an average of 95 per year[40]. Shire housing is predicted to grow by 1,758 from 8,082 in 2016 to 9,840 in 2036.[41].

The Moyne Shire population forecast for 2019 was 16,890 and is now forecast to grow to 19,030 by 2036[42]. Moyne saw growth in house prices from 2008 to 2018 of an average of $100,000, but this growth is mostly associated with coastal areas such as Port Fairy with the remainder of the Shire experiencing minimal growth. The median rent has grown from $261 per week in 2013 to $324 in 2018[43]. The number of dwellings available for long-term rentals has fallen from 266 in 2013 to 157 in 2018[44]. The falling number of dwellings for rent, together with population growth, indicates that there is a lack of supply of rental properties.

Between 2006 and 2016 Moyne Shire saw falls in the percentage of population aged between 10-19 and 30-45 years of age and significant growth in those aged 50 plus[45]. Moyne is expected to see growth in all age groups through to 2036.

From March 2018 to March 2019, the unemployment rate in Moyne went from 2.4% to 2.5%[46]. The large industry employers in the Shire are agriculture, forestry and fishing, healthcare and social services, retail, education and training, construction, manufacturing, accommodation and food services. In the period from 2006 to 2016, the growth in employment was in arts and recreation services, professional, scientific and technical services, education and training, administrative services, and healthcare and social assistance. The changing nature of Moyne Shire means growth is predicted to continue in arts and recreation services, professional, scientific and technical services, education and training, administrative services and healthcare and social assistance.

[39] ABS 2016 Census
[40] ABS Dwelling approvals 2018/19
[41] ABS Dwelling approvals 2018/19
[42] ID Consulting - projections
[43] Victorian Valuer General, A Guide to Property Values, 2019
[44] DHHS Annual Report 2018 - 19
[45] ABS 2016 Census
[46] Small Labour Markets 2019

Tourism continues to be an important part of the economy with peak periods for day trips being in July to December and March. Overnight visitations peak from December to April, with January having occupancy rates for holiday house rentals at 85%[47].

The key issues for Moyne Shire are:

- The region has experienced minimal growth in housing stock
- There is a high proportion of unoccupied and underutilised dwellings, particularly in the tourism destination of Port Fairy where housing has been converted to short-term rentals
- There is a strong correlation between high house prices and holiday homes across the region, but otherwise the capital growth in other towns is minimal
- The decrease in the number of available rental properties means key workers are less likely to be able to access suitable rental properties locally
- The increase in median rent indicates a lack of supply of rental properties across the region
- A portion of each Barwon South West LGA's workforce is travelling large distances for employment
- The cost of developing land and buildings is such that it does not allow for commercial returns.

Moyne Shire has indicated that it wishes to pursue a semi-active level of intervention to facilitate key worker housing.

At the time of the preparation of this Action Plan, Council was in the process of undertaking community consultation for a planning scheme amendment to implement the *Port Fairy Structure Plan*. The amendment includes proposals to rezone some land for more intensive residential purposes (Rural Living Zone to Neighbourhood Residential Zone). Council was also part way through a structure planning exercise for Koroit.

Figure 10 - Moyne Shire Map



The key workers and housing needs identified for Moyne Shire are outlined in Table 8 - Key and essential worker housing needs for Moyne by town. These are based on the definition of affordable housing, income analysis of key workers and qualitative research as outlined in Table 1 - Income by occupation of residents across region, 2016.

[47] National Visitor Survey, Tourism Awards 2019.

Table 8 - Key and essential worker housing needs for Moyne by town

Town	Key and essential workers	Housing needs
Mortlake	Healthcare and social assistance Education Manufacturing/labour Energy sector (both construction and operation)	Higher quality large dwellings Medium density dwellings Dwellings for temporary workers
Port Fairy	Accommodation and food services Retail Healthcare and social assistance Education	Lower cost housing and improved transport connections to hinterland towns

8.2 ACTIONS

Action M1: Prioritise the rezoning of land identified for residential outcomes in the *Koroit Structure Plan*

The *Koroit Structure Plan* (which at the time of writing is being finalised) will likely recommend that some land be rezoned for residential growth. In order to provide as many opportunities as possible for higher quality large dwellings to be constructed, this rezoning should be prioritised. The State Government should, if possible, provide additional resources to help fast track the rezoning process.

Timing: Short term

Responsibility: Moyne Shire, State Government

Action M2: Investigate funding infrastructure to Port Fairy, Mortlake and Koroit's residential growth areas

If the cost of infrastructure upgrades is disincentivising development of Mortlake and Koroit's residential precincts, Council could look to contribute to the upgrades, potentially with assistance from grants from the State or Federal Government.

Council could also look to assist with infrastructure upgrades for Port Fairy on the proviso that the developers provide some key worker or affordable housing as part of the development process.

Timing: Short to long term

Responsibility: Moyne Shire

Action M3: Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of "temporary villages"

Council or other parties could invest in relocatable dwellings such as tiny houses that could be used throughout the year for seasonal agricultural and tourism workers. If these are partially or fully off grid, they can potentially be moved around as temporary villages where the various workforces are located (e.g. tourism locations in summer for accommodation and hospitality workers, and inland locations at other times of the year for agricultural workers).

Council and/or State Government could potentially provide any vacant land they may have available or help identify locations where the dwellings could be located (including future development sites). Council could also assist with any planning approvals needed, if it is determined that these temporary villages require permits.

Private landowners placing relocatable dwellings on their properties (e.g. single units in back yards) could also be encouraged to increase the availability of such accommodation. This may involve reviewing Council by-laws to enable longer-term occupation of relocatable dwellings. Clause 13 of the *General Local Law 2015* requires a permit to be obtained for the occupation of a moveable dwelling in a set location for more than 30 days per year.

Timing: Short to medium term

Responsibility: Moyne Shire

Action M4: Seek affordable housing contributions from developments and rezonings

Current State Government legislation provides for Local governments to seek contributions for affordable housing on a voluntary basis. Council could develop an affordable housing policy document and planning scheme amendment to set out the basis for seeking such amendments for new developments.

Where a planning scheme amendment is prepared for new planning controls on a site and an agreement is reached that the rezoning is contingent on providing an affordable housing contribution, the new zone and/or overlay schedules can refer to this as a requirement.

Any proposed policy needs to define the anticipated need for affordable housing, and the types of considerations that Council will take into account in determining what might be an acceptable contribution. As set out in Section 3.3, there is a range of tenure models that could be considered.

Timing: Short to medium term

Responsibility: Moyne Shire

Action M5: Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing

Council should investigate the financial implications of reducing or waiving planning application fees and/or any applicable development contributions for projects by registered housing associations to encourage and increase the viability of affordable housing projects. It could also consider providing discounts on Council rates for affordable housing tenants. There are a number of Councils in Victoria that provide similar concessions.

Alternatively, Council could provide facilitated “fast tracking” of applications that include affordable housing, with appropriate funding such as “Streamlining for Growth” to assist in the delivery.

Timing: Short term

Responsibility: Council

Action M6: Improve the bus service between Port Fairy, Koroit and Warrnambool

The cost of housing in Port Fairy means that some workers will need to travel from inland locations to access employment in the township. The existing bus service between the towns runs five weekday services in each direction. In order to provide a more sustainable transportation options and make living in Koroit a more viable option for people working in Port Fairy, a greater frequency of service would be of assistance.

Timing: Medium to long term

Responsibility: Council, State Government

Action M7: Creation of a Community Land Trust

Council has indicated a semi-active approach to the development of housing. The case study work indicates that supporting the development of new dwellings requires a financial grant. If Council was to consider contributing, it would be on the basis that any new development achieves appropriate and affordable housing for key workers.

To ensure that the land continues to be used for the purpose of designated, affordable and appropriate housing for key workers, if the region does not establish a regional CLT, Council could consider establishing its own CLT. The housing type could be a combination of tenures or singular tenure as shown in Figure 5 - CLT Commercial Model. The land can be contributed as a 50 year lease (the maximum term under the *Local Government Act*) or as a straight contribution.

Timing: Medium Term

Responsibility: Moyne Shire, State Government

Action M8: Facilitate and assist to develop a concept for seasonal workforce housing including seeking investors and co-ordinating usage

In the course of preparing the case studies for this report, a number of stakeholders identified that opportunities may also exist to deliver alternative forms of housing. In particular, the type of housing product is expected to meet the housing needs of key workers who are residing in the area for extended periods of time (but not permanently), such as those involved in construction projects, industrial maintenance, tourism or agricultural activities. Individually, the industries are not able to support the provision of housing for their temporary workers. Council could facilitate co-ordination across industry groups to assure occupancy of properties for the majority of the year. For example, those involved in industrial maintenance can be scheduled around tourism and agriculture. The built form would need to be cost effective to deliver and located within towns.

The coordination of the occupancy in a continuous cycle will provide the confidence that there is sufficient need and occupancy to attract investors. The land for such developments will need to be within a reasonable commute of the required industries. This could be land that is within the CLT or Council land that is leased for 50 years.

Timing: Short to medium term

Responsibility: Moyne Shire

9 ACTIONS FOR SOUTHERN GRAMPIANS

9.1 OVERVIEW

The Southern Grampians Shire covers an area of 6,654 square kilometres and in June 2018 had a population of 16,135. From 2001 to 2016, Southern Grampians suffered population decline.

The industries in the Shire are based on agriculture production and processing. Around 15% of Australia's annual wool production is clipped in the Shire.

Hamilton is a regional service centre with moderate population and jobs growth. The current gap in housing is for higher quality dwellings and medium density dwellings suited to workers on higher wages from the healthcare and professional service sectors. Other gaps in housing include dwellings for temporary workers.

Dunkeld is a tourism town with high visitation, and the majority of housing stock is holiday homes. There is a need for lower cost housing to support key workers. At the last census, 21% of dwellings in Dunkeld were unoccupied.

In the Shire 76% of dwellings are owned and 20% rented versus 29% rented across Victoria[48]. The decrease in the number of available rental properties means key workers are less likely to access suitable rental properties within the region. The lack of rental properties leads to an increase in the price of rentals and general unaffordability of housing for key workers. The town planning approvals for new dwellings between 2014 and 2019 was 182, with an average of 36 per year[49]. Shire housing is predicted to grow by 72 dwellings from 7,969 in 2016 to 8,041 in 2036.[50].

The Southern Grampians Shire population forecast for 2020 is 16,140 and is forecast to fall to 15,030 by 2036[51]. Southern Grampians saw minimal growth in house prices from 2008 to 2018. The median rent has grown from $224 per week in 2013 to $262 in 2018[52]. The number of dwellings available for long-term rentals has fallen from 356 in 2013 to 262 in 2018[53]. The falling number of dwellings for rent together with population growth indicates that there is a lack of supply of rental properties.

Between 2006 and 2016 Southern Grampians Shire saw falls in the percentage of population aged between 0–49 years of age and significant growth in those aged 60 plus[54]. Those aged 65 plus are predicted to be the fastest growing group in the future.

From March 2018 to March 2019, the unemployment rate in Southern Grampians went from 3.4% to 3.8%[55]. The large industry employers in the Shire are agriculture, forestry and fishing, healthcare and social services, retail, education and training, construction and accommodation and food services. In the period from 2006 to 2016, the growth in employment was in arts and recreation services and health care and social assistance. The ageing population means that community and personal service workers are expected to grow in numbers to meet demand. In addition, growth is anticipated in the arts and recreation services and education and training sectors.

[48] ABS 2016 Census
[49] ABS Dwelling approvals 2018/19
[50] ABS Dwelling approvals 2018/19
[51] ID Consulting - projections
[52] Victorian Valuer General, A Guide to Property Values, 2019
[53] DHHS Annual Report 2018 - 19
[54] ABS 2016 Census
[55] Small Labour Markets 2019

The key issues for Southern Grampians Shire are:

- The region has experienced minimal growth in housing stock or house prices
- The decrease in the number of available rental properties means key workers are less likely to access suitable rental properties within the region. The increase in median rent indicates a lack of supply of rental properties across the region
- The cost of developing land and buildings is such that it does not allow for commercial returns.

Southern Grampians Shire has indicated that it wishes to pursue a proactive level of intervention into the market to facilitate key worker housing.

The key workers and housing needs identified for Southern Grampians Shire are outlined in Table 9 - Key and essential worker housing needs for Southern Grampians by town. These are based on the definition of affordable housing, income analysis of key workers and qualitative research as outlined in Table 1 - Income by occupation of residents across region, 2016.

Figure 11 - Southern Grampians Map



Table 9 - Key and essential worker housing needs for Southern Grampians by town

Town	Key and essential workers	Housing needs
Hamilton	Construction	Higher quality dwellings
	Retail	Medium density dwellings
	Accommodation and food services	Dwellings for temporary workers
	Healthcare and social assistance	
	Education	
	Professional services	
	Manufacturing/labour	

9.2 ACTIONS

Action SG1: Work with landowners to encourage the development of Hamilton's residential precincts

Council has prepared detailed masterplans for the development of Hamilton's residential precincts that help coordinate development outcomes across multiple landowners. As these precincts provide opportunities for higher quality dwellings to be constructed, Council should liaise with landowners and developers to encourage their development.

Timing: Short to long term

Responsibility: Southern Grampians Shire

Action SG2: Investigate funding infrastructure for Hamilton's residential precincts

If the cost of infrastructure upgrades is disincentivising development of Hamilton's residential precincts, Council could look to contribute to the upgrades, potentially with assistance from grants from the State or Federal Government.

Timing: Short to long term

Responsibility: Southern Grampians Shire

Action SG3: Review the strategic planning and statutory controls for medium density developments

The analysis has identified that Southern Grampians needs more medium density housing options for key workers. Clause 21.10-1 of the Southern Grampians Planning Scheme already encourages medium density residential development in and around the central business district and applies the Residential Growth Zone and Commercial 1 Zone to achieve this. The *Hamilton Structure Plan 2011*, which forms the strategic basis for this approach, is a 20 year plan. When it is reviewed, the approach to medium density housing should also be re-examined to determine whether any changes should be made to encourage the development of medium density housing, such as expanding the Residential Growth Zone.

Timing: Medium to long term

Responsibility: Southern Grampians Shire

Action SG4: Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of "temporary villages"

Council or other parties could invest in relocatable dwellings such as tiny houses that could be used throughout the year for seasonal agricultural and tourism workers. If these are partially or fully off grid they can potentially be moved around as temporary villages where the various workforces are located (e.g. tourism locations in summer for accommodation and hospitality workers, and inland locations at other times of the year for agricultural workers).

Council and/or State Government could potentially provide any vacant land they may have available or help identify locations where the dwellings could be located (including future development sites). Council could also assist with any planning approvals needed if it is determined that these temporary villages require permits.

Private landowners placing relocatable dwellings on their properties (e.g. single units on back yards) could also be encouraged to increase the availability of such accommodation. Council's *Community Local Law No 1* of 2015 has clauses relating to temporary dwellings and camping on private property but is not clear on relocatable dwellings. It should include a clause addressing such dwellings and setting out whether a time limit is to be imposed on occupation, and whether a permit can be applied for to exceed this. Council could consider enabling longer-term occupation of relocatable dwellings and/or waiving the permit process where the dwelling is occupied by a key worker.

Timing: Short to medium term

Responsibility: Southern Grampians Shire

Action SG5: Seek affordable housing contributions from developments and rezonings

Current State Government legislation provides for Local government to seek contributions for affordable housing on a voluntary basis. Council could develop an affordable housing policy document and planning scheme amendment to set out the basis for seeking such amendments for new developments.

Where a planning scheme amendment is prepared for new planning controls on a site and an agreement is reached that the rezoning is contingent on providing an

affordable housing contribution, the new zone and/or overlay schedules can refer to this as a requirement.

Any proposed policy needs to define the anticipated need for affordable housing, and the types of considerations that Council will take into account in determining what might be an acceptable contribution. As set out in Section 3.3, there are a range of tenure models that could be considered.

Timing: Short to medium term

Responsibility: Southern Grampians Shire

Action SG6: Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing

Council should investigate the financial implications of reducing or waiving planning application fees and/or any applicable development contributions for projects by registered housing associations to encourage and increase the viability of affordable housing projects. It could also consider providing discounts on Council rates for affordable housing tenants. There are a number of Councils in Victoria that provide similar concessions.

Timing: Short term

Responsibility: Southern Grampians Shire

Action SG7: Use of Council land to facilitate development

Council can consider offering any of its sites via an EOI process or peppercorn lease to developers and registered housing associations for development. The land can be sold or could be offered as a lease for 50 years to a RHA on the basis that the housing developed is rented to key workers. The RHA may require additional grant funding for the capital development; this money should be sought from the State Government.

Timing: Medium term

Responsibility: Southern Grampians Shire

Action SG8: Creation of a Community Land Trust

Council has indicated a proactive approach to the development of housing. The case study work indicates that supporting the development of new dwellings requires a financial grant. If Council was to consider contributing land, it would be on the basis that any new development achieves appropriate and affordable housing for key workers. To ensure that any contributed land continues to be used for the purposes designated, if the region does not establish a regional CLT, Council could consider establishing its own CLT. The housing type could be a combination of tenures or a singular tenure as shown in Figure 5 - CLT Commercial Model. The land can be contributed as a 50 year lease (the maximum term under the *Local Government Act*) or a straight contribution.

Timing: Medium term

Responsibility: Southern Grampians Shire and State Government

Action SG9 Facilitate and assist to develop a concept for seasonal workforce housing including seeking investors and co-ordinating usage

In the course of preparing the case studies in this report, a number of stakeholders identified that opportunities may also exist to deliver alternative forms of housing. In particular, the type of housing product is expected to meet the housing needs of key workers who are residing in the area for an extended period of time (but not permanently), such as those involved in construction projects, industrial maintenance, tourism or agricultural activities. Individually the industries are not able to support the provision of housing for their temporary workers. Council could facilitate coordination across the industry groups to assure occupancy of properties for the majority of the year. For example, those involved in industrial maintenance can be scheduled around tourism and agriculture. The built form would need to be cost-effective to deliver, and located within townships.

The coordination of the occupancy in a cyclical manner will provide confidence that there is sufficient need and occupancy to attract investors. The land for such developments will need to be within a reasonable commute of the required industries. This could be land that is within the CLT or Council land that is leased for 50 years.

Timing: Short term – medium term

Responsibility: Southern Grampians Shire

10 ACTIONS FOR SURF COAST

10.1 OVERVIEW

The Surf Coast Shire covers an area of 1,553 square kilometres and in June 2018 had a population of 32,251. The major towns are Torquay, Angelsea and Lorne. Surf Coast has experienced population growth of 11,695 residents between 2001 and 2018. Surf Coast is projected to experience significant population growth by 2036, with VIF projections forecasting the population of the LGA will grow by almost 15,000 residents or approximately 750 residents per annum[56]. The growth in population is expected across all age groups with a particular emphasis on those aged between 20 and 65 years of age.

The major industries in the Shire are agriculture, tourism, energy supply and building construction.

Torquay is a major centre and has a high demand for housing, high cost of housing and a growing jobs base. Torquay has many categories of key workers required to support future economic and population growth. The cost of housing is likely to present an issue for tourism, retail, labour and community service workers.

Anglesea and Lorne are considered coastal tourism towns with high visitation, and the majority of housing stock is holiday homes. There is a need for lower cost housing to support key workers. At the last census, 62% of dwellings in Anglesea were unoccupied and 75% in Lorne.

In the Shire, 77% of dwellings are owned and 20% rented against 29% rented across Victoria[57]. The decrease in the number of available rental properties means key workers are less likely to access suitable rental properties within the region. The lack of rental properties leads to an increase in the price of rentals and general unaffordability of housing for key workers. This is further evidenced by the number of workers who travel into the area from adjoining Geelong. The town planning approvals for new dwellings between 2014 and 2019 was 2,587, on average 517 per year[58]. The Shire housing is predicted to grow by 9,149 dwellings from 18,203 in 2016 to 27,352 in 2036.[59]..

Surf Coast saw growth in house prices from $481,000 in 2008 to $830,000 in 2018. The median rent has grown from $363 per week in 2013 to $462 in 2018[60]. The number of dwellings available as long-term rentals has remained constant – 731 in 2013 to 765 in 2018.[61]. However, while there has been minimal growth in rental dwellings in the period, the population growth indicates that there is a lack of supply of rental properties.

From March 2018 to March 2019, the unemployment rate in Surf Coast fell from 2.4% to 2.3%[62]. The large industry employers in the Shire are healthcare and social services, retail, education and training, manufacturing, construction, professional, scientific and technical services, administrative services, accommodation and food services. In the period from 2006 – 2016, the growth in employment was in arts and recreation services, professional, scientific and technical services, healthcare, social assistance and administrative services.

[56] ID Consulting – population projections
[57] ABS 2016 Census
[58] ABS Dwelling approvals 2018/19
[59] ID Consulting - projections

[60] Victorian Valuer General, A Guide to Property Values, 2019
[61] DHHS Annual Report 2018 - 19
[62] Small Labour Markets 2019

Tourism continues to be an important part of the economy with peak periods for day trips being in October to March. Overnight visitations peak from October to April, with January having occupancy rates for holiday house rentals of 71%.[63]

Council is undertaking a review of the *Lorne Structure Plan*, with the project currently on hold while affordable housing issues are explored via this Action Plan and the Committee for Lorne's *Housing Action Plan*.

The key issues for Surf Coast Shire are:

- There is a high proportion of unoccupied and underutilised dwellings, particularly in tourism destinations, that are now short-term rentals
- There is a strong correlation between high house prices and holiday homes across the region
- The decrease in the number of available rental properties means key workers are less likely to access suitable rental properties within the region
- The increase in median rent indicates a lack of supply of rental properties across the region
- A portion of each Barwon South West LGA's workforce is travelling large distances for employment
- With many Surf Coast workers living in Geelong, the towns that are a greater distance away experience even greater difficulties attracting key workers due to longer commute times.

Surf Coast Shire has indicated that it wishes to pursue a passive level of intervention into the market to facilitate key worker housing.

It is noted that Council is undertaking strategic work with the State Government including:

- *Great Ocean Road Tourism Visitor Economy Workforce Study* – GORT
- *Great Ocean Road Strategic Framework Plan* – DELWP
- *Lorne Structure Plan* review – Council.

Figure 12 - Map of Surf Coast Shire



[63] National Visitor Survey, Tourism Awards 2019.

The key workers and housing needs identified for Surf Coast Shire are outlined in Table 10 - Key and essential worker housing needs for Surf Coast by town. These are based on the definition of affordable housing, income analysis of key workers and qualitative research as outlined in Table 1 - Income by occupation of residents across region, 2016.

Table 10 - Key and essential worker housing needs for Surf Coast by town

Town	Key and essential workers	Housing needs
Torquay	Construction Retail Accommodation and food services Healthcare and social assistance Education	Lower cost medium density housing and improved transport connections to housing in Geelong
Lorne	Accommodation and food services Retail Healthcare and social assistance Education	Lower cost housing and improved transport connections to hinterland towns

10.2 ACTIONS

Action SC1: Review the strategic planning and statutory controls for medium density developments in Lorne

The analysis has identified that Lorne needs more lower cost housing options for key workers. Providing medium density housing options would assist with lower cost housing. The future *Lorne Structure Plan* updates project should clearly identify medium density development opportunities and review the development controls associated with these.

Timing: Short term

Responsibility: Surf Coast Shire

Action SC2: Seek affordable housing contributions from rezonings or amendments to built form controls

Current State Government legislation provides for local governments to seek contributions for affordable housing on a voluntary basis. Council could seek an affordable housing contribution on sites where additional development opportunities become available. The planning controls would require a certain percentage of the additional building height (beyond what the controls currently provide for) to be provided as affordable housing that is to be transferred to a registered housing association or the Council's CLT (should one be created) and then rented to key workers.

Timing: Short to long term

Responsibility: Surf Coast Shire

Action SC3: Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of "temporary villages"

Council or other parties could invest in relocatable dwellings such as tiny houses that could be used throughout the year for seasonal agricultural and tourism workers. If these are partially or fully off grid they can potentially be moved around as temporary villages where the various workforces are located (e.g. tourism locations in summer for accommodation and hospitality workers, and inland locations at other times of the year for agricultural workers).

Council and/or State Government could potentially provide any vacant land they may have available or assist to identify locations where the dwellings could be located (including future development sites). Council could also assist with any planning approvals needed if it is determined that these temporary villages require permits.

Private landowners placing relocatable dwellings on their properties (e.g. single units on back yards) could also be encouraged to increase the availability of such accommodation. This may involve reviewing Council by-laws to enable longer-term occupation of relocatable dwellings. Clause 4.6 of the *Community Amenity Local Law No. 1* of 2011 requires a permit to be obtained for the occupation of a moveable dwelling for up to 6 months.

Timing: Short to medium term

Responsibility: Surf Coast Shire

Action SC5: Improve and establish the bus services between Geelong and Surf Coast towns

The cost of housing in Lorne and Torquay means that some workers will need to travel from Geelong and inland locations such as Winchelsea to access employment in these townships.

As there is currently no direct bus service between these locations, investigations could be undertaken to identify whether a service could be viable.

Timing: Short to long term

Responsibility: Surf Coast Shire, State Government – Department of Transport

Action SC6: Limit the duration of time that dwellings can be used as short-term accommodation

Discussions with the Councils have identified the potentially limited applicability of limiting the duration of short term rentals, as the short-term use of dwellings in the region is highly seasonal and it is feasible for owners to earn significantly more by renting their dwellings for just a few weeks at peak times than they may otherwise earn via a permanent rental agreement. However, setting limits could still have some impact and would signal that the Councils prefer a mix of permanent and holiday rentals in their municipalities. The case studies in NSW and Tasmania show that this issue has been addressed at a state-wide level through requirements for some short-term accommodation to obtain planning permits. As Surf Coast Shire is the only Council seeking this action, any such limitations may instead need to be sought via local laws, similar to how the use of caravans is limited through permits obtained under local laws.

Timing: Short term

Responsibility: Councils

11 CONCLUSIONS

The Regional Actions are:

Action		Timing	Responsibility
R1	Investigate the creation of a Community Land Trust for the region	Medium term	*Councils and CEO's*
R2	Investigate and provide vacant State and Federal Government land to the regional Community Land Trust	Short term	*VPA*
R3	Establish a regional key worker housing program	Medium Term	*Councils and State Government*
R4	Support the assess and consider appropriateness of waiving stamp duty for over 65s	Short Term	*Councils and State Government*
R5	Advocate for Federal Government to allow visa holders to purchase dwellings without financial consequences	Short Term	*Councils and State Government*
R6	Advocate for Federal and State Government to establish a national Build to Rent program	Short to long term	*Councils*
R7	Advocate for Federal and State Government to establish regional grant programs	Short to long term	*Councils, State Government, Federal Government*
R8	Advocate for infrastructure service agencies to reduce or waive connection fees for key worker housing projects	Short to long term	*Councils*
R9	Ensure there is an adequate on-going supply of land available for residential development	Short to long term	*Councils*
R10	Include planning scheme policies that are supportive of key worker and affordable housing	Short to medium term	*Councils*
R11	Investigate providing planning concessions for key worker and affordable housing projects	Short to medium term	*Councils*
R12	Quantify residential development opportunities and constraints	medium term	*Councils*
R13	Continue to undertake and publish research into regional key worker housing issues	Medium to long term	*Councils*
R14	Prepare guidance material for developers	Short to medium term	*Councils*
R15	Regularly engage with the community on key worker housing issues	Short to long term	*Councils*
R16	Ensure adequate housing for DAMA	Short to long term	*Councils, State Government, Federal Government*
R17	Provide State Government support to fast track and streamline planning scheme amendments for residential land	Short to long term	*Councils, State Government*
R18	Development of smaller towns	Short to long term	*Councils, State Government*
R19	Prepare detailed demographic projections	Short to long term	*State Government*
R20	Develop and implement a rating system for existing rental properties, including an asset management system benchmark measurement and star ratings	Short term	*Councils*
R21	Advocate for a review of the planning controls relating to rural worker housing	Short term	*Councils, State Government*

Individual Council actions can be summarised as:

Action	Timing	CO	C	G	M	SG	SC
Undertake structure planning and masterplanning for the development of greenfield residential land	Short to medium	√					
Investigate funding infrastructure in greenfield residential areas	Short to long	√	√		√	√	
Review the strategic planning and statutory controls for medium density developments	Short to medium	√	√	√		√	√
Investigate constructing high quality rental housing	Medium to long	√		√			√
Facilitate the provision of relocatable dwellings for temporary workers via direct investment in dwellings, the provision of land and/or facilitation of “temporary villages”	Short to medium	√	√		√	√	√
Improve the bus service	Short to long	√			√		√
Advocate for the Department of Housing to upgrade social housing	Short to medium	√		√			
Prioritise the rezoning of land identified for residential expansion	Short		√	√	√		
Seek affordable housing contributions from developments and rezonings	Short to long	√	√		√	√	√
Investigate reducing or waiving development contributions, planning charges and/or Council rates for affordable housing	Short	√	√		√	√	
Create a Community Land Trust and contribute Council land for projects	Medium	√	√		√	√	
Directly invest in supplying key worker housing	Medium to long	√	√				
Facilitate and help coordinate specialist seasonal workforce housing	Short to medium	√	√	√	√	√	
Facilitate and assist to develop a concept for seasonal workforce housing including seeking investors and co-ordinating usage	Short to medium		√		√	√	
Use of Council land to facilitate development	Short to medium					√	
Work with landowners to encourage development	Short to medium					√	

CO = Colac Otway
C = Corangamite
G = Glenelg
M = Moyne
SG = Southern Grampians
SC = Surf Coast

12 GLOSSARY

ABS	Australian Bureau of Statistics.
Affordable Housing	Section 3AA of the *Victorian Planning and Environment Act 1987* contains the following definition of affordable housing: *For the purposes of this Act, affordable housing is housing, including social housing, that is appropriate for the housing needs of any of the following—* *(a) very low income households;* *(b) low income households;* *(c) moderate income households."* *(2) For the purposes of determining what is appropriate for the housing needs of very low income households, low income households and moderate income households, regard must be had to the matters specified by the Minister by notice published in the Government Gazette.*
Affordable by Design	Compact lots and housing that can be delivered by the market at an affordable price point, and with sustainable design features that result in lower running costs.
AHURI	Australian Housing and Urban Research Institute.
ANZIC	A system administered jointly by the Australian Bureau of Statistics and Statistics New Zealand which assigns a unique number to each industry in order to identify the firms operating in each class and sub-class and to allow for the collection of data such as location, number of employees, and annual sales.
Bond aggregator	Used to raise money at lower rates from the wholesale bond market for not for profit community housing providers. It also allows registered housing associations to borrow at lower rates.
Build to rent	Developers and their financiers build dwellings and, instead of selling them, retain them to let to tenant households. Rents may be set at market rent or, for affordable and social housing, at an appropriate discount to market rents. The NRAS was a build to rent model.
CLT	Community Land Trust – when the land upon which a dwelling is located is held in a Trust. The payment for the occupation of the land is via a peppercorn lease. The land is held in a Trust for Individuals, NFP or private company to develop dwellings, finance only needs to be sought for the built form and not the land – the savings are reflected in lower rents or purchase prices.
CRA	Commonwealth Rent Assistance is a non-taxable, income supplement payment added to the pension, allowance, or benefit of eligible income support customers who rent in the private rental market.
Deductible gift recipient	Deductible gift recipient status means that donations to recipients are tax-deductible by the donor.
ESD	Environmentally sustainable design

Key worker	An employee who provides a vital service, especially in the essential services, health, or education sectors. In the study area this includes: • Providers of services to residents – e.g. teachers, doctors, nurses, health care workers, pharmacists, Council staff • Providers of services to visitors/tourists – e.g. hospitality, tourism, retail, workers at tourist attractions • Workers in key local industries – e.g. agriculture and associated industries, renewable energy, forestry, mining, construction.
LPPF	Local Planning Policy Framework
NBESP	Nation Building Economic Stimulus Packages comprising the Social Housing Initiative, which resulted in the construction of approximately $1.5 billion in low-income housing in response to the 2007/2008 global financial crisis. This program has ended and no more funding is available.
NHFIC	National Housing Finance and Investment Corporation. Established by the Federal Government to manage the Affordable Housing Bond Aggregator and other federal grants related to affordable housing.
NFP	Not for profit.
NRAS	National Rental Affordability Scheme. A subsidy paid to private landlords for 10 years when dwellings are rented to eligible tenants at less than 80 % of market rent.
PPF	Planning Policy Framework
PSP	Precinct Structure Plan
Public housing	Public or social housing that is owned or leased by the state governments of Australia
Registered Housing Association (RHA)	Registered housing agencies are not for profit organisations that provide affordable rental housing for low-income households, registered as either housing associations or housing providers under State Housing Act. Housing associations and aroviders are independent companies that are overseen by a skills-based board.
Registered Housing Provider (RHP)	RHAs are classed by government as organisations that: • own, manage and develop affordable rental housing; • provide housing support and assistance to clients; • are viable businesses partnering with government and the community; and • have met registration criteria and meet ongoing regulatory compliance against performance standards. Housing providers are managers of housing portfolios (not developers).
Rent to buy	The homes are offered at a reduced rent for a minimum of five years and let on assured short-hold tenancies for a fixed term. The model being adapted in Australia is that, after five years of renting, the tenant has first option to purchase the dwelling at a price agreed at the commencement of the five years. If the tenants do not want to buy, the landlord can retain the property as rented housing or sell it on the open market.

Restricted Purchase	Restricted or affordable purchase – price controlled housing that is made available for purchase by those on defined incomes. The key principles are that: • The dwelling must be offered for sale at or below the appropriate price • The dwelling must be offered for sale to eligible buyers • The discount for affordable housing for the first purchaser is preserved for future purchasers, either in perpetuity or for a fixed period of time.
SEIFA	Socio-Economic Index for Areas, produced by the ABS.
Shared equity schemes	Financing arrangements where the equity required for home ownership is shared between the occupant (often a former tenant) and government or a NFP community housing provider.
Social housing	Social housing is an umbrella term that covers both public and community housing. Its provision usually involves some degree of subsidy.
SIA	Social impact assessment under *the Planning and Environment Act*.
Tiny homes	Compact dwellings that are manufactured off site (now often architecturally designed studio units) that deliver good quality and reliable homes at a cost effective price point. The dwellings are placed on serviced lots with prepared foundations.