

Warrnambool City Council Social Housing Planning Project

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Prepared for Warrnambool City Council by Hornsby & Co.

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1.0 Executive summary

Warrnambool City Council is undertaking strategic planning work to identify and respond to housing needs in Warrnambool.

To build an understanding of the current housing policy landscape and inform their strategic work, Warrnambool City Council has engaged Hornsby & Co. to identify the current and future social housing needs of the City of Warrnambool (stage 1) and identify issues and opportunities of how the supply of social housing can be increased over the short to medium term to meet current and forecast needs (stage 2). This background paper forms part of the work delivered as part of the Warrnambool Social Housing Planning Project (WSHPP).

The City of Warrnambool has a growing population. It has an estimated residential population of 35,000, which is forecast to grow by more than 5,000 people by 2036. Warrnambool serves as a centre for a regional population of about 120,000 people.

At the 2016 census there were 6,541 people in low-income households living in Warrnambool. The number of low-income households in Warrnambool increased by 561 between 2011 and 2016. The largest change in types of low-income households was in lone-person households, up to 226 households from 2011.

Of all low-income households in Warrnambool, 41.5 per cent were renting, which was a significant increase compared to in 2011 (an increase of 238 households). In 2016, 31.6 per cent of Warrnambool's renting households were experiencing rental stress.

Homelessness is a hidden and significant issue in Warrnambool. Homelessness impacts disproportionately on women, single persons, sole-parent families, younger and older residents, people with mental illness and people with a disability.

It is estimated that in 2016, there were 149 people in Warrnambool who were homeless. This includes people who were living in severely overcrowded dwellings, people in supported accommodation for the homeless, people who were staying temporarily with other households, or were living in boarding houses.

While the private market in Warrnambool is lower-cost than the average for Victoria, the private market is not providing adequate housing options for the Warrnambool community.

The *12th International Housing Affordability Survey* by Demographica (2016) categorised Warrnambool as 'severely unaffordable' (listed as a median house price of 5.1 or above times the median household income – Warrnambool is 5.5). This has risen from 1995 when the median house price was just under three times the median household salary.

The results from the 2016 census showed that 5.2 per cent of Warrnambool's households were renting their dwelling from a government authority (also known as public housing) compared to 3.3 per cent in regional Victoria.

The provision of social housing in Warrnambool has not kept pace with growth in housing overall, dropping from 7.6 per cent in 1991 to 6 per cent in 2011 (this dropped further to 5.2 per cent in 2016, suggesting the rate of decline is increasing).

The current need for social housing can be estimated as the number of low-income households in rental stress (1,247) plus the number of people experiencing homelessness (149). On that basis the **unmet demand for social housing is 1,396 dwellings**.

The increasing population and tightening of the private rental market will mean demand has grown since the 2016 census and could be more accurately estimated at an additional **1,430 households in 2020**. That number, together with the existing social housing stock, would represent just over **14 per cent of all households**, significantly higher than 5.2 per cent - the existing proportion of social housing in Warrnambool.

By 2036, the population of the City of Warrnambool is forecast to grow to 46,210 people. Working on the basis of an average household size of 2.3 people per household and need for 14 per cent of households to be social housing, it is estimated there will need to be **2,812 social housing dwellings in the City of Warrnambool in 2036**, almost four times the existing number of social housing dwellings.

Warrnambool has seen a significant tightening of the private rental market. This has the flow on effect of creating a bottle neck so that people are no longer able to move out of transitional housing and into the private market. The result is that fewer people are able to access transitional housing and they end up in overcrowded or unsafe situations.

In addition to the need for additional housing dwellings there is also need for a greater presence of community housing organisations in the municipality, to drive collaboration and advocacy, and to drive the development of new social housing in the region.

A unique challenge that the City of Warrnambool faces is that, other than the Department of Health and Human Services (DHHS), none of the social housing providers have an office within the municipality. This presents challenges for people who want to access their services. It also likely to affect the potential to attract grant funding to the area.

The key opportunities for improving social housing outcomes in the City of Warrnambool are:

- Use of Council or government land to develop new social housing
- Reconfiguration or redevelopment of existing social housing sites to deliver additional social housing
- Potential outsourcing by Council of its housing assets to a community housing organisation, providing for more effective tenancy and property management
- Incentives to one or more community housing organisations to locate their offices in the City of Warrnambool, increasing the presence and focus of housing services in the municipality
- Partnership projects with companies which are constructing wind farms, to deliver housing they need now, which can then be used for social housing in the future
- Increasing private market housing supply through the strategic planning work being undertaken by Council and the Victorian Planning Authority (VPA)
- Securing social housing through the planning system through voluntary negotiations.

2.0 Introduction

The Warrnambool Social Housing Planning Project (WSHPP) is part of the important strategic planning work Council has underway to identify and respond to housing needs in the City of Warrnambool.

The project was delivered in two stages. The first stage determined the demand/supply of social housing needs in the City of Warrnambool over the short to medium term and provided a description of the current market (including current parties, relationships and their capacity to grow). It also outlined the requirements, types and models of Affordable Housing, an overview of the role and constraints of the statutory planning system in the provision of Affordable Housing, the federal and state policy setting and the outcome of a review of relevant council documents. That work is sections 1 to 9 of this report.

The second stage identified the challenges and opportunities for increasing the supply of social housing in the City of Warrnambool. This included an assessment of potential sites for social and Affordable Housing in the municipality. Council-owned and State Government-owned land was identified, and desktop analysis of the sites was undertaken to determine their suitability.

This report combines the findings of both stages to provide a comprehensive assessment of demand and recommended responses to increase the supply of social housing.

2.1 Impact of the COVID-19 pandemic

The research for this report was undertaken and delivered in the middle and second half of 2019 and is based on the information available at the time.

From March 2020, Victoria, Australia, and the rest of the world were significantly impacted by the COVID-19 pandemic. The full impact of the pandemic is likely to be felt in the second half of 2020 and beyond. There is expected to be a large increase in the number of people who are unemployed or under-employed and who will struggle to meet their housing costs.

It is also anticipated there will be a significant drop-off in the number of new houses being constructed as the demand for (private market) housing reduces due to reduced immigration and reduced income for many people.

The demand for social and Affordable Housing will rise. The Victorian Government has announced it will invest almost \$500 million to build and upgrade community and public housing as part of the Building Works package dedicated to creating jobs and boosting Victoria's economic recovery from the COVID-19 pandemic (Department of Health and Human Services, 2020).

It is possible that funding may be used to build or improve social housing in the City of Warrnambool, but that detail is not available at this stage.

3.0 What is Affordable Housing?

There is no nationally accepted definition of Affordable Housing. This can make discussion and policy development around the topic difficult. Across Australia Affordable Housing includes public housing and community housing (together referred to as social housing) and also includes discounted rental, discounted purchase, and shared equity schemes.

Under the *Planning and Environment Act (1987)*, Affordable Housing is one of three types of housing:

- public housing
- housing provided by an agency regulated by the Victorian Housing Registrar under the *Housing Act (1983)*
- a broad range of other possible housing types that are not public housing or provided by a regulated agency but are ‘appropriate to the needs’ of very low, low and moderate-income households, including clear eligibility and allocation processes to ensure an Affordable Housing outcome is achieved.

It should be noted that the terms ‘social housing’ and ‘Affordable Housing’ both have colloquial meanings in policy discussions and legal meanings in the *Planning and Environment Act (1987)* and *Housing Act (1983)*.

In the colloquial sense, social housing is often understood to be a synonym for rental housing generally provided to very low-income households, either by a not-for-profit organisation (community housing) or by the government (public housing). It is commonly assumed that social housing is restricted to very low-income households and that moderate-income households are not eligible. This is not the case.

A moderate-income household in regional Victoria comprising a couple and three dependent children on an annual income of \$95,000 is eligible for social housing. However, very few if any of these households apply for social housing and fewer still are allocated social housing due to people with greater need applying.

By definition, all Affordable Housing is for people within the eligible household income ranges. To ensure housing reflects the definition of Affordable Housing there should be an eligibility test and allocation process. Within the Affordable Housing sector, there are different terms to describe Affordable Housing reflecting different rent-setting models, funding models, or the specific needs of residents.

Social housing is a subset of Affordable Housing and includes public housing (owned and usually managed by the State Government) and community housing (owned and/or managed by community housing organisations).

In Victoria, social housing makes up the largest component of the Affordable Housing sector. Rents in social housing are set as a proportion of household income (usually between 25-30 per cent of income). The Department of Health and Human Services (DHHS) Annual Report showed there were 85,626 social housing dwellings in Victoria in 2018/19 (Department of Health and Human Services, 2020).

Public housing is a subset of social housing and provides long-term rental accommodation managed by the State Government. Public housing currently makes up approximately three-quarters of all social housing stock in Victoria.

Community housing is also a subset of social housing and is an integral part of the housing system. It provides a housing option that is affordable, secure, responds to local community needs and supports tenant participation.



The majority of social housing is provided as long-term rental accommodation, but the sector also offers the following housing programs:

Crisis accommodation

For people at risk of homelessness. Accommodation may be provided for only one night at a time or for up to six weeks.

Transitional housing

Supported short-term accommodation designed to help people move to more permanent housing in public housing, community housing, or the private rental market. People using this type of housing have often experienced a significant change in circumstances. People in transitional housing are provided with further advice and planning as they actively work with a support provider to apply for long-term housing.

Co-operative housing

Offers long-term rental accommodation that gives tenant members the opportunity to participate in the running of the co-operative. Depending on the co-operative, this could include the day-to-day running of the co-operative or could be more focused on strategic issues such as prioritisation of maintenance and tenant selection.

Rooming houses

Often the only accommodation that many vulnerable or disadvantaged singles can access due to the demand for Affordable Housing far exceeding the supply. The community housing sector offers rooms targeted at singles with access to shared facilities as well as self-contained rooms which have a bathroom and kitchenette.

The above list illustrates the breadth of provision of social housing. The sector is complex with different funding streams and mechanisms for sourcing the housing. This snapshot cannot reflect all of that complexity.

It is noted that private rooming houses also operate across Victoria. They have no household income eligibility criteria or allocation process to ensure the housing is provided to those who need it. Moreover, they do not have rent-setting policies that ensure the rent is affordable to very low, low, or moderate-income households. Private rooming houses are not considered Affordable Housing as they do not adequately respond to the matters set out in the Ministerial Notice which planning authorities must have regard to when deciding whether housing is appropriate for very low, low, and moderate-income households.

It should also be noted that in addition to the terms used within the sector, the Victorian Planning Provisions also have specific definitions for rooming house and community care accommodation that are relevant for planners assessing planning permits.

While social housing makes up the majority of Affordable Housing in Victoria, there are also affordable rental and affordable homeownership models.

Affordable rental housing is provided by not-for-profit organisations and also through private providers, which may receive some form of concession in return, such as was the case for the National Rental Affordability Scheme (NRAS). For affordable rental housing, the rent is generally set at a discount from market rent (for example rent is set at 75-80 per cent of market rent) and is generally targeted at moderate income households.

The NRAS is an example of affordable rental housing where the government provided a subsidy for landlords to rent their property to eligible households at discounted rent. The subsidy was available for 10 years only, after which time the property can revert to market housing. Rent must not exceed 80 per cent of market rent to retain the NRAS subsidy.

Affordable homeownership (delivered with or without an external subsidy) may be through the allocation and sale of low-cost housing to eligible households or opportunities for shared-equity homeownership. Shared-equity is when a person owns part of a dwelling, and the other part is owned by a second party (for example government or a community housing organisation). Shared equity enables a household to buy a property that they otherwise could not afford, helping them step onto the path of homeownership.

Due to the higher rents or mortgage payments, affordable rentals and affordable homeownership are usually out of the financial reach of very low and low-income households. It is generally only a viable option for moderate-income households.

3.1 The difference between Affordable Housing and housing affordability

The term 'housing affordability' refers to the relationship between expenditure on housing (prices, mortgage payments or rents) and household incomes. The concept of housing affordability is different to the concept of 'Affordable Housing'.

In Australia there has been a lot of discussion about housing affordability. Over the past 30 years there has been a significant increase in the cost of housing, but the increase in household incomes has not kept pace. This means that people are spending more on housing both in absolute terms and as a proportion of household income.

As a result, the cost of housing is an issue for many people - there is a housing affordability issue. The term 'Affordable Housing' is often incorrectly used to describe lower-cost housing (purchase or rental) because lower-cost housing is within the financial means of more people, that is, it is 'more affordable' to them. Smaller dwellings, apartments rather than freestanding homes, or homes in more remote locations or further away from services will often cost less than larger homes in desirable locations and may be described as 'affordable'.

It is important to keep in mind that this kind of market housing, that does not have any eligibility requirements or allocation process, does not meet the definition of Affordable Housing. To avoid confusion, it should be referred to as 'lower cost housing'.

Table 1 Affordable Housing models, resident cohorts, rent setting and funding sources

Housing model		Tenant / resident cohort	Rent / purchase price	Construction Funding*	Comment
Emergency shelter and crisis accommodation		People experiencing or at risk of homelessness Very low income households	A nightly payment (approximately \$25)	State Government	
Transitional and supported housing		People living with disability People moving out of homelessness Very low income households Low income households	25% of household income Sometimes more for specialised housing e.g. housing for older people may charge 75% of income and include some meals, all utilities etc.	State Government	May be delivered through a "head lease" arrangement where tenants pay 25% of household income, increasing to market rent over a 24 month period, and State Government tops up the difference between tenant rent and market rent. Examples include Wombat Housing and Support Services and Maribyrnong Youth Accommodation Program (MYAP)
Social Housing Rental	Public housing	Priority Access Register of Interest Very low income households Low income households	25% of household income	State Government	Tenants are not eligible for Commonwealth Rent Assistance
	Community housing	Priority Access Register of Interest Very low income households Low income households	25% of household income Plus Commonwealth Rent Assistance	Grant funding Philanthropy Cash reserves (from rent received, sale of property)	Property may be owned by State government and managed by community housing organisation Examples include Launch Housing,
Affordable Rental		Moderate income households Low income households	80% of market rent Not capped at 30% of household income	Private sector Grant funding Federal Government State Government	Examples include: - NRAS model - Affordable Rental SEPP in NSW (no equivalent in Victoria yet) May be managed by a community housing organisation or by the private sector
Affordable home ownership	Shared equity	Moderate income households Low income households	Usually about 70% of purchase price	State Government Private sector	The remaining share of the house is owned by government, a community housing organisation, or a commercial interest Examples include: - Buy Assist (part of a not-for-profit consortia) - Opening Doors (Western Australia Government – no equivalent in Victoria yet)
	Lower-cost purchase price	Moderate Income households Low income households	Purchase price set by government each year	Private sector	Examples include: - Affordable Homes (South Australia Government – no equivalent in Victoria yet)

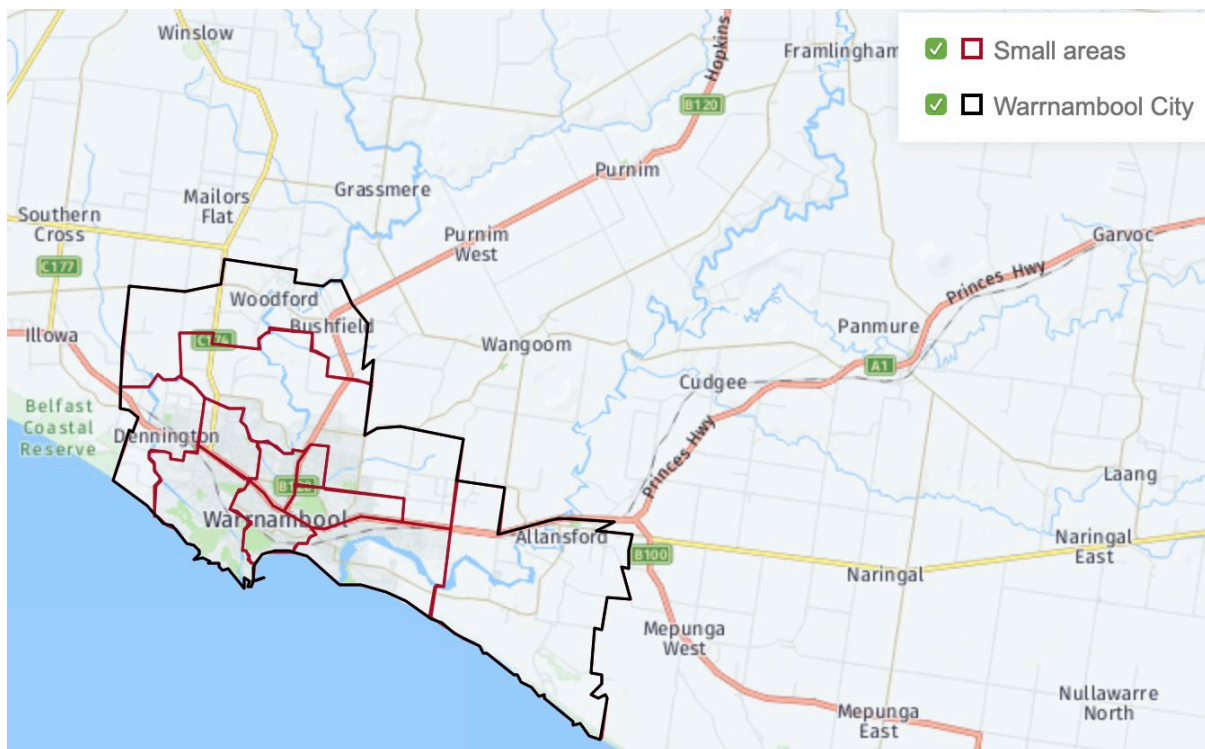
*(Noting there has been very limited investment over the past 30 years).

4.0 An overview of the City of Warrnambool

The City of Warrnambool covers 121sqkm in Victoria's South West and is about 260km from Melbourne. The municipality includes the city of Warrnambool and the towns of Allansford, Woodford and Bushfield.

Map 1: City of Warrnambool geographic boundary

Note: Warrnambool City Council boundary marked in black



Warrnambool has a growing population and attracts people seeking a sea change and people seeking professional and educational opportunities.

Warrnambool serves as a centre for a regional population of about 120,000 people. It contains a TAFE college, a Deakin University campus including a School of Medicine and a base hospital which is part of South West Healthcare. St John of God Hospital also serves the region.

Warrnambool's major employment sectors are health care and social assistance, retail, manufacturing, education and training, accommodation and food services, professional services and construction.

The region features some of Australia's most fertile agricultural land, primarily dedicated to dairy and beef production. Major dairy manufacturers and a large meat processor are situated in and around Warrnambool and provide a significant source of employment.

The Great South Coast region features significant visitor attractions including the 12 Apostles, Tower Hill and Budj Bim National Park.

In 2019 an Ipsos Life in Australia study announced Warrnambool and the South West as Australia's most liveable region. This research considered factors including health and education services, access to natural attractions and housing affordability.

5.0 Demographic drivers of housing demand

In any location the demand for housing is a product of the number of people and household size. Larger populations and smaller household sizes lead to a greater demand for housing.

Other factors such as household income and housing tenure (ownership or rental) dictate people's ability to access and secure housing.

These different aspects of the population, and importantly the trend or change in each aspect, provides a comprehensive picture of demand for housing in the City of Warrnambool.

Demographic data can be quite dense and, even with the use of graphs, can be difficult to wade through. For that reason, the data has been provided as an appendix to this report (Appendix 1). The data has been sourced from .id (.id, 2019). The key points are summarised below.

The Warrnambool City Estimated Resident Population for 2018 is 34,862. The population is forecast to grow to 46,210 by 2036 – a 26 per cent increase in population.

About 75 per cent of the City of Warrnambool's annual net population growth comes from domestic migration, particularly from Great South Coast municipalities and Melbourne. Domestic migration comprises mostly young families (35-44 years) and those who have retired or are reaching retirement age (55 years and over). This illustrates Warrnambool's role as a service centre and catchment for the surrounding area, with people relocating to Warrnambool for better access to services (education and health) and to access employment opportunities.

People also commute into Warrnambool to access employment. At the 2016 census, 15,724 people were working in Warrnambool. Of these people, 12,738 lived in Warrnambool, 2,337 lived in the Moyne Shire, and 302 lived in the Corangamite Shire.

Some of the population growth is from overseas. Warrnambool is home to people from 33 countries. The most significant growth from 2011 - 2016 was from people born in China, Taiwan, South Korea and Thailand. At the 2016 census, 2,731 people living in Warrnambool were born overseas. Of these, one in four arrived in Australia in the five years leading to Census 2016. Of the total population, four percent speak a language other than English at home – a significant increase of 526 people between 2011-2016.

The number of residents who identified as Aboriginal or Torres Strait Islander in the Census (2011-2016) increased by 10% from 495 to 556. People in Warrnambool who identify as Aboriginal or Torres Strait Islander have a much lower rate of homeownership and much higher rate of private rental compared to people who identify as Aboriginal or Torres Strait Islander across regional Victoria.

As with other regional cities, Warrnambool has an ageing community. While one in five residents are under 15 years old, that proportion is decreasing, and one in five residents are aged over 65 years, with that proportion increasing.

At the 2016 census, there were 15,188 dwellings in Warrnambool. The average household size was 2.36 people. The number of households in Warrnambool increased by 968 between 2011 and 2016, with most of the increase occurring in one and two-person households (+390 and +227 respectively).

In addition to changes in housing size, there have been changes in housing tenure in Warrnambool. Analysis of the housing tenure of households of the City of Warrnambool in 2016 compared to regional Victoria shows that there was a smaller proportion of households who owned their dwelling; a smaller proportion purchasing their dwelling; and a larger proportion who were renters. The largest changes in housing tenure categories for the households in the City of Warrnambool between 2011 and 2016 were mortgage (+279 households) and renting - private (+237 households).

Rental payments can be a better measure of the cost of housing in Warrnambool than mortgage repayments because they are not contingent on length of occupancy or equity in the dwelling. Analysis of the weekly housing rental payments of households in Warrnambool compared to regional Victoria shows that there was a smaller proportion of households with low rental payments (less than \$250 per week). This indicates there are fewer low-cost rentals available within the City of Warrnambool.

In 2016, 5.2 per cent of the City of Warrnambool's households were renting social housing, compared to 3.3 per cent in regional Victoria.

While the City of Warrnambool had a higher proportion of social housing households, this varied across the municipality. Proportions ranged from a low of zero per cent in rural balance to a high of 13.9 per cent in Warrnambool (East - Racecourse). The five areas with the highest percentages were:

- Warrnambool (East - Racecourse) (13.9%)
- Warrnambool (West) (7.2%)
- Warrnambool (Central) (7.1%)
- Warrnambool (South - Merrivale) (7.0%)
- Warrnambool (North) (4.0%)

Some people did not have any form of housing tenure. The number of homeless people in the City of Warrnambool grew from 122 in 2011 to 149 in 2016. A person is considered homeless if they do not have suitable accommodation alternatives and their current living arrangement:

- is in a dwelling that is inadequate
- has no tenure, or if their initial tenure is short and not extendable
- does not allow them to have control of and access to space for social relations.

In addition to data around housing tenure, data about household income provides an insight into the extent to which households are likely to experience housing stress or financial pressure.

In 2016, there were 6,541 people in low-income households living in the City of Warrnambool.

More than 46 per cent of low-income households were lone-person households, followed by couples without children (22 per cent) and one-parent households (17 per cent). The number of lone-person, low-income households increased by 226 households between 2011 and 2016.

Analysis of the housing tenure of low-income households in the City of Warrnambool in 2016 compared to regional Victoria shows that there was a smaller proportion of low-income households who owned their dwelling, a smaller proportion purchasing their dwelling and a larger proportion who were renters. Renting is also the housing tenure that has seen the largest increase (+283 households) for low-income households.

Rental stress is defined as per the National Centre for Social and Economic Modelling (NATSEM) model as households in the lowest 40 per cent of incomes, who are paying more than 30 per cent of their usual gross weekly income on mortgage rent.

As at the 2016 census there were 1,247 low income households experiencing rental stress in Warrnambool. This represents 31.6 per cent of all rental households and 9.2 per cent of all households in the municipality.

People who are renting can be vulnerable to changes in rental cost and to increased demand for rental properties. The demographic data for the City of Warrnambool illustrates:

- an increasing population in the City of Warrnambool
- an increasing proportion of renters compared with home ownership
- an increasing number of low-income households who are renting
- an increasing number of lone-person and two-person households
- increasing cost of rent.

Together these elements indicate there will be increasing housing pressure for low-income households leading to a greater demand for either lower-cost rentals (unlikely to be provided due to housing market economics) or an increased demand for social and Affordable Housing.

6.0 Estimate of social housing need

The demographic data in section 5 paints a picture of a regional city where house prices and rents are increasing, the population is growing (largely through domestic migration) and more and more people are experiencing housing stress. This is against a backdrop of little to no increase in the number of social housing dwellings, resulting in a shrinking proportion of housing available for low-income and vulnerable households.

DHHS has provided some data specific to the Warrnambool local government area (Appendix 2). Some of the data is confidential and to ensure it is not accidentally released it has been provided as a separate document. Without breaching that confidentiality, it can be noted there has been a steady increase in demand over the past two years, with the largest demand being for one and two-bedroom dwellings. It is also noted that there is a growing mismatch between demand (for one and two bedroom properties) and existing supply (a large proportion of three-bedroom properties).

The publicly available data shows the waiting list for people seeking to access social housing in the Western Division was 14,315 as at 31 December 2019. There were also 2,202 people already in social housing seeking a transfer within the Western District.

Within the Wimmera South West (Portland, Warrnambool) the numbers were 691 applicants and 112 seeking transfer.

The current need for social housing can be estimated as the number of low-income households in rental stress (1,247) plus the number of people experiencing homelessness (149). On that basis, the unmet demand for social housing is 1,396 dwellings.

The increasing population and tightening of the private rental market will mean demand has grown since the 2016 census and could be more accurately estimated at 1,430 households in 2020. If enough dwellings were constructed to meet the current demand, together with the existing social housing stock, social housing would represent just over 14 per cent of all households, significantly higher than 5.2 per cent - the existing proportion of social housing in Warrnambool.

By 2036, the population of the City of Warrnambool is forecast to grow to 46,210 people. Working on the basis of an average household size of 2.3 people per household and need for 14 per cent of households to be social housing, it is estimated there will need to be 2,812 social housing dwellings in the City of Warrnambool in 2036, almost four times the existing number of social housing dwellings.

7.0 Policy context

7.1 Australian Government's Affordable Housing policy environment

Funding of \$1.535 billion for the National Housing and Homelessness Agreement (NHHA) started in July 2018. The NHHA covers money previously allocated through the National Affordable Housing Specific Purpose Payment (the National Affordable Housing Agreement) of \$1.360 billion in 2017/18 and the Homelessness National Partnership payments of \$117.2 million in 2017/18.

The NHAA for Victoria is available at www.federalfinancialrelations.gov.au/content/housing_homelessness_agreement.aspx

That agreement sets out that together the Federal and State Governments will:

- explore ways that both parties can support an increase in housing supply (including affordable rental properties) and boost homelessness services
- work together to identify ways of optimising assistance for people on low incomes who are renting in Victoria
- explore ways in which employment services can best support those who are homeless and sleeping rough in Victoria
- work together to identify opportunities for how mainstream services can better support people who are homeless or at risk of homelessness
- explore ways of improving data sharing to support improved client outcomes and service delivery.

The 2019 Federal Budget included funding for social impact investment trials under National Partnerships for Affordable Housing, plus \$5 million to establish a taskforce to examine the Commonwealth's role in the Social Impact Investment market so that such investments can provide solutions for entrenched disadvantage. Other funding was primarily for remote housing.

The First Home Loan Deposit Scheme is an Australian Government initiative to support eligible first home buyers purchase a home sooner. Under the Scheme, part of an eligible first home buyer's home loan from a participating lender will be guaranteed by the National Housing Finance and Investment Corporation (NHFIC). This is aimed at enabling first home buyers to purchase a home with a deposit of as little as 5 per cent. It works by allowing first home buyers to borrow 15 per cent of the value of their home from the Federal Government (through NHFIC) so that they do not need to save such a large deposit. The other 80 per cent would need to be financed by commercial lenders (banks). The scheme is available to 10,000 first home buyers (there are an estimated 110,000 first home buyers each year). The proposal is not likely to have any meaningful impact on the demand for social and Affordable Housing.

7.2 Victorian Government's Affordable Housing policy environment

The Victorian Government takes on several roles in providing or facilitating the provision of Affordable Housing in Victoria.

The Victorian Government directly provides Affordable Housing in the form of public housing and through grants and subsidies to community housing providers. It also uses the planning system as a mechanism to maintain a supply of new private market housing, although those dwellings can generally only be purchased by moderate and high-income households.

The planning policy framework for housing affordability in Victoria sets out to improve housing affordability by:

- ensuring land supply continues to be sufficient to meet demand
- increasing choice in housing type, tenure and cost to meet the needs of households as they move through life cycle changes and to support diverse communities
- promoting good housing and urban design to minimise negative environmental impacts and keep down costs for residents and the wider community
- encouraging a significant proportion of new development, including development at activity centres and strategic redevelopment sites to be affordable for households on low to moderate incomes
- increasing the supply of well-located Affordable Housing by:
 - facilitating a mix of private, affordable and social housing in activity centres and strategic redevelopment sites
 - ensuring the redevelopment and renewal of public housing stock better meets community needs.

The Victorian Government funds and manages public housing. In 2015 Victoria had 64,822 public housing dwellings and also provided support and regulation to the non-government social housing sector which managed approximately 18,500 affordable homes (Transforming Housing, Melbourne School of Design, 2016).

The Victorian Government is planning to increase social housing by 6000 homes (Victorian Government, 2018) through:

- a \$1 billion Social Housing Growth Fund to support partnerships with community housing sector, private developers, not-for-profit organisations and local government
- low-cost government loans to community housing associations
- the transfer of management of existing public housing to registered community agencies
- facilitating a renewal program for public housing
- creating a social housing pipeline program to deliver social housing through development, fast purchasing and renewal.

In the 2019/20 Budget, the Victorian Government committed \$209 million to public housing properties to deliver 1,000 new homes for people escaping family violence and homelessness. The Victorian Government also announced \$103.5M in matched funding through the NHHA to provide funding for 48 agencies that deliver services to people experiencing or at risk of homelessness (Victorian Government, 2019).

Plan Melbourne (Department of Environment Land Water and Planning , 2017) recommends government can increase the supply social and Affordable Housing with four key policies:

- utilise government land to deliver additional social housing
- streamline decision-making processes for social housing proposals
- strengthen the role of planning in facilitating and delivering the supply of social and Affordable Housing
- create ways to capture and share value uplift from land rezoning.

Government policies for increasing the supply of Affordable Housing in Australia envisage a greatly increased role for the community housing sector. The Victorian Parliamentary Enquiry into the Public Housing Renewal Program cites there are 82,000 people on the public housing wait list in Victoria and there were 648 new social housing dwellings in 2017/18 (Parliament of Victoria Legal and Social Issues Committee, 2018).

7.2.1 MINISTERIAL ADVISORY COMMITTEE

In September 2019 the Minister for Planning appointed an advisory committee to provide advice on the possible models and options to facilitate the supply of Affordable Housing through the Victorian Planning System (Department of Environment Land Water and Planning, 2020).

The Ministerial Advisory Committee (MAC) delivered its advice to the Minister for Planning in late 2019. The MAC proposed a reconsideration of the current voluntary framework for affordable housing and a move towards a more consistent and uniform approach to support affordable housing development.

Recent events have turned the Government's focus towards efforts that will support Victoria's recovery through the COVID-19 pandemic. Consideration of the MAC's findings have been deferred at this time. In the meantime, the Minister for Planning has requested that work continue to investigate options that would enable a more consistent and uniform approach that could be considered at an appropriate time.

7.3 The statutory planning system and social housing

7.3.1 THE STATUTORY PLANNING SYSTEM

The *Planning and Environment Act (1987)* sets the legal framework for the planning system. Developers are required to work within that system. Each municipality in Victoria is covered by a planning scheme that regulates the use, development and protection of the land.

Planning schemes set out the planning rules - the state and local policies, zones, overlays and provisions about specific land uses that inform planning decisions.

Planning schemes are the primary tool to enable state and local government land use planning policies to be implemented and effect positive change to the built environment. The efficiency and effectiveness of planning schemes is important to Victoria's economy and liveability. Each year the planning system processes around 55,000 planning permit applications, which represents around \$30 billion of future investment in Victoria.

Zones are the primary tool for guiding the fair and orderly use and development of land. A zone sets expectations about what land use and development activity is or may be acceptable. Each zone broadly deals with a particular predominant land use theme, such as residential, commercial, industrial or public land uses. The zoning of land may be changed through a formal planning scheme amendment process – a process which may be led by a council or by a proponent (usually the landowner).

Opportunities to negotiate Affordable Housing contributions are created by and must occur within the requirements of the planning framework. The process to change the zoning for a piece of land is generally undertaken when there is the greatest potential for an increase in the value of the property. It is also the point at which the council or other planning authority can consider and decide how and where to provide for housing in their municipality.

Undertaking negotiations for Affordable Housing at this point in the planning system provides the greatest opportunity for securing an Affordable Housing contribution, but it may be many years before that contribution is realised. The process to amend a planning scheme can take two years or more and the development of the land itself can take another two to five years or more depending on market forces.

7.3.2 CHANGES TO THE PLANNING AND ENVIRONMENT ACT (1987)

On 1 June 2018 changes to the *Planning and Environment Act (1987)* (the Act) came into effect. The key change is a change to the objectives of the Act, which will now include an objective:

“to facilitate the provision of Affordable Housing in Victoria.”

The Department of Environment, Land, Water, and Planning has prepared information and guidance on the changes.

The Act includes a definition that Affordable Housing is housing, including social housing, that is appropriate for the housing needs of very low, low, and moderate-income households.

Having an objective in the Act to enable the facilitation of the provision of Affordable Housing may eventually remove a significant hurdle for councils who were seeking to facilitate Affordable Housing through planning mechanisms. However, as with any objective in the Act, a Responsible Authority (council) must undertake appropriate strategic land use research and policy development. The changes to the Act do not remove the need for a strategic basis for a position reached by a Responsible Authority.

In the short-term, the changes to the Act have helped by providing a definition for Affordable Housing and provided councils with a chance to include Affordable Housing in rezoning and permit discussions. However, any Affordable Housing contribution will be made on a voluntary basis by the landowner.

In the medium to long-term, the changes to the Act are likely to increase the supply of Affordable Housing. However, so long as the provisions are voluntary (not mandatory) there will be sufficient uncertainty and ambiguity to make it difficult for developers to factor in the cost of Affordable Housing. As a result the amount of Affordable Housing being delivered is likely to be small, particularly when compared to the demand and therefore council may want to consider additional mechanisms to facilitate Affordable Housing. Even *Plan Melbourne* notes that:

“The planning system alone cannot address all of the issues related to the provision of social and Affordable Housing. A range of programs and measures across all levels of government are required, but it is important that the planning system makes it easier — rather than harder—to deliver social and Affordable Housing.”

7.3.3 CONSTRAINTS OF THE STATUTORY PLANNING SYSTEM

Planning staff are responsible for negotiating Affordable Housing agreements through the planning system. It may be as part of a proposal to rezone land, or as part of a planning permit application.

In either case, it is important to remember that a council cannot compel a developer to enter into negotiations or to agree to an Affordable Housing contribution – it must be agreed on a voluntary basis.

The negotiations may centre around value-sharing or incentives, or both.

In a value-sharing approach, the council recognises the value created through the planning process and seeks to share some of that value with the community by way of an Affordable Housing contribution. Value is created for the landowner when land is rezoned through a planning scheme amendment and/or when a planning permit is issued. The planning scheme amendment process results in the greatest uplift in land value and provides the greatest opportunity to seek to share that value, but a value-share approach can also be adopted in a planning permit process.

Because the provision of an Affordable Housing contribution is voluntary, it is difficult for a landowner/developer to know exactly how much it will cost them to make that contribution. Usually a developer will calculate all the costs and likely profit for a project and that feasibility modelling will help them determine what they are willing to pay for a site. If their costs are higher and profit margin falls below the rate that financiers require to lend them money, they will need to offer less for the land. Because developers are competing with each other to purchase a site, a developer that factors in the cost of an Affordable Housing contribution may be outbid by a developer who decides not to factor in an Affordable Housing contribution.

Incentives may be offered by a council to help a developer offset the cost of an Affordable Housing contribution. There may be some overlap with the concept of value-sharing but is more likely to be where a council makes a concession or an exception in order to facilitate an Affordable Housing contribution.

Incentives may take the form of increased yield of development, a reduction in carparking requirements, a trade-off with public open space contributions, a fast-track process, or other incentives that translate to monetary value to the developer. Council staff will need to carefully weigh up and balance the other objectives of the planning scheme so that the provisions of Affordable Housing do not sacrifice the amenity and liveability of the neighbourhood.

7.4 Relevant Council policy documents

7.4.1 WARRNAMBOOL COUNCIL PLAN 2017-2021

The *Warrnambool Council Plan* is the feature document in Council's suite of strategic planning documents, formulated to guide the work of Council. Approved in 2017, it was revised in 2019. The Council Plan represented a significant shift in focus for the Council, with a vision for Warrnambool to be a 'Cosmopolitan City by the Sea'.

For the first time Council also devised a theme for the Council Plan, 'Growing Pride and Confidence in the City', which emphasises the need to celebrate and promote the city, its attributes and its appeal to those in the region and beyond.

Five objectives support the Council's vision.

1. Sustain, enhance and protect the natural environment
2. Foster a healthy, welcoming city that is socially and culturally rich
3. Maintain and improve the physical places and visual appeal of the city
4. Develop a smarter economy with diverse and sustainable employment

5. Practice good governance through openness and accountability while balancing aspirations with sound financial management.

Objective 3 includes strategies to ensure that the City of Warrnambool is a great place to live and work and access to affordable appropriate housing falls within those strategies.

7.4.2 WARRNAMBOOL 2040 COMMUNITY PLAN

Warrnambool 2040 (W2040) outlines the community's long-term visions and goals for the environment, economy, place and people. A key goal is that 'Warrnambool is an affordable and accessible place to live for all people' (p9). It includes the following progress measures by 2026:

- as a proportion of all housing, more affordable and social housing is available than in 2017
- housing types and sizes are more diverse than in 2017
- rates of homelessness have halved from 2017 levels.

To achieve this, the Community Plan states that Council will endorse and implement the Housing Diversity Strategy and Social Housing Planning Project, implement them into the Planning Scheme policy, and advocate for and support the development of diverse, social and Affordable Housing that exceeds previous provision.

7.4.3 WARRNAMBOOL A HEALTHY CITY 2017 - 2021

Warrnambool – A Healthy City 2017-2021 is the Council's Health and Wellbeing Plan. An extensive process to develop *Warrnambool – A Healthy City* in 2013 confirmed the priority health and wellbeing issues to be addressed over time. The Plan endorsed eight priorities to be addressed. These align with state policy and local priorities and remained in the 2017–2021 revision and update. The priorities for action are:

- physical activity
- healthy eating
- harmful use of alcohol and other drugs
- smoking
- violence against women and children
- mental (social & emotional) wellbeing
- access to programs and services
- educational attainment and life-long learning
- employment (economic participation).

While the Plan does not specifically reference housing or social housing it is worth noting that without access to safe, secure, Affordable Housing it is almost impossible for a person to achieve the physical and mental wellbeing or the educational or economic participation that the Plan strives for.

7.4.4 HOUSING DIVERSITY AND A COMPACT CITY

In 2016 a background paper was prepared with a view to developing a strategic response to the issue of housing diversity. The potential to take a holistic approach and look more broadly at liveability and a compact city model could see this work picked up again in 2020/21 (subject to budget approval).

In relation to social housing and affordability, the background paper found that:

- being a regional centre, the City of Warrnambool provides a greater proportion of social housing than surrounding municipalities
- the provision of social housing in Warrnambool has not kept pace with growth in housing overall, dropping from 7.6 per cent in 1991 to 6 per cent in 2011 (this has dropped further to 5.2 per cent in 2016, suggesting the rate of decline is increasing)
- The median house price in Warrnambool rose 30 per cent between 2005 and 2015
- The 12th International Housing Affordability Survey by Demographica (2016) categorised Warrnambool as 'severely unaffordable' (listed as a median house price of 5.1 or above times the median household income – Warrnambool is 5.5). This has risen from 1995 when the median house price was just under three times the median household salary.

7.4.5 AFFORDABLE HOUSING POLICY (2012)

The *Warrnambool City Council Affordable Housing Policy* is in Appendix 3. It outlines Council's objectives and approach to addressing housing affordability in the City of Warrnambool, which focuses on four objectives: community health and wellbeing, sustainable housing design and supply, liveability and economic development.

It defines council's roles as: advocacy, partnership development, advice, research, urban planning, community development, service provision and regulation.

7.4.6 GREAT SOUTH COAST REGIONAL GROWTH PLAN (2014)

The *Great South Coast Regional Growth Plan* covers the municipalities of Corangamite, Glenelg, Moyne, Southern Grampians and Warrnambool, and identifies Warrnambool as the Major Growth Centre for the region. It shows that in 2014 around one third of the region's population lived in Warrnambool, and around 40 per cent of jobs were in Warrnambool.

It forecasts that Warrnambool will accommodate 50-60 per cent of the region's population growth in the next 25 years. As such, social housing needs to be considered across a wide catchment area.

7.4.7 WARRNAMBOOL CITY-WIDE HOUSING STRATEGY (2013)

The *Warrnambool City-Wide Housing Strategy* outlines Council's plan to meet the changing household needs of its growing population. It confirms that the City has enough land supply until approx. 2040, and a further 20+ years land supply can be provided within future greenfield growth areas.

The Strategy identifies the need for greater housing diversity within the City's greenfield growth areas, and the need to investigate the provision of Social Housing across the municipality.

These designated greenfield growth areas are:

- North Dennington Growth Area
- North of the Merri River Growth Area
- North East Growth Area
- Coastal Hopkins Environment Growth Area
- East of Aberline Precinct (in progress with the VPA) – approximately 360 hectares of land.

7.4.8 WARRNAMBOOL PLANNING SCHEME

The *Warrnambool Planning Scheme* is a statutory document that sets out objectives, policies and provisions for the use, development and protection of land in the municipality. The planning scheme regulates the use and development of land through planning provisions to achieve those objectives and policies.

The Local Planning Policy Framework (Clause 21.07-1) provides local content to support Clause 16 (Housing) of the State Planning Policy Framework.

It has the following objectives:

- to locate new housing within close proximity to existing and/or planned transport corridors, activity centres and open space
- to provide housing diversity to meet community needs
- to provide opportunities for affordable housing.

The third objective is supported by a policy statement that notes:

“Access to Affordable Housing is a basic human right and a determinant of community health and wellbeing. The impacts of unaffordable housing are unevenly distributed across the community with sole parents, single people, young people, older people (>65 years) and children of sole parents experiencing the worst outcomes.

Affordable Housing also has significant impacts on the liveability and economic prosperity of the community. A lack of Affordable Housing has a negative impact on workforce attraction and is a barrier to attracting tertiary students to the City.”

The provision of social housing is an emerging issue that needs to be considered by the relevant agencies in future growth area planning.

The strategies to respond to the objective are:

Strategy 1.1 Provide more affordable accommodation opportunities through the designation of a range of housing styles as well as higher density housing such as townhouses, aged persons accommodation and commercial accommodation

Strategy 1.2 Ensure adequate land supply is available for residential development

Strategy 1.3 Provide a diversity of housing types and lot sizes in locations that support appropriate access to employment, education, cultural, recreational, health and social services.

Future strategic work is also identified

- investigate methods for addressing the availability of Affordable Housing in the municipality
- identify opportunities and mechanisms to provide additional social housing.

The *Warrnambool City Council Social Housing Planning Project* (this report) responds to the second of those points.

8.0 Community and stakeholder feedback

Stakeholder engagement was undertaken for the development of stage 1 of the project. The process and outcomes of that engagement is detailed in an engagement report prepared by Activate Consulting (Appendix 4). The key findings of that report have been used to identify the key challenges and opportunities (see section 10).

Council has previously undertaken policy development or community engagement projects where housing affordability or Affordable Housing has been raised as a topic. That feedback is included in the engagement report.

9.0 Housing and service providers in Warrnambool

The housing and service providers operating in the City of Warrnambool were identified to enable data collection and stakeholder engagement for this background report.

Within Warrnambool there are three organisations that have a significant number of social housing dwellings available for long-term rental. They are:

- Department of Health and Human Services
- Aboriginal Housing Victoria
- Haven; Home, Safe

The City of Warrnambool is also an owner and manager of housing, with 13 dwellings. These dwellings were constructed on council-owned land using State Government funds.

In addition to long-term social housing rentals, there are several organisations that provide crisis accommodation and transitional housing. The key organisations are:

- SalvoConnect Western
- Emma House
- Brophy

These organisations also provide support services or connect clients to other providers who provide support services.

The stakeholder engagement report (Appendix 4) provides a list of all organisations that were contacted as part of the development of the engagement report. Not all organisations took up the opportunity to engage. This is most likely due to the limited in-house capacity and resources. Many smaller organisations don't have staff time available to engage about the work they are doing as their focus is on delivering the service for their community.

The information supplied by DHHS in Appendix 2 has been provided as a separate attachment to ensure no confidential data is released. It sets out the number of social housing dwellings in the City of Warrnambool.

DHHS also provided publicly available information that shows that in 2018/19 DHHS acquired six houses and two medium density dwellings in the Wimmera South West (the local area of the Western Division in which Warrnambool municipality is located). That data also showed that eight dwellings were acquired by community organisations within Wimmera South West in that same period.

10.0 Challenges and opportunities

Stage 2 of the project identified the challenges and opportunities to increasing the supply of social housing in the City of Warrnambool. This included a desktop assessment of Government-owned and Council-owned land that might support social housing.

10.1 Challenges

The City of Warrnambool is facing many of the same challenges that metropolitan and regional communities are facing in relation to social housing:

- population growth
- changing household size, with a greater proportion of smaller households and a mismatch between the configuration of available housing stock and household size
- escalating increases to housing costs (purchase price and rents)
- stagnant wage growth and no increase for statutory incomes (e.g. Job Seeker)
- historical and ongoing underinvestment in social housing
- people presenting with more complex issues
- increased rates of family violence.

In addition, the City of Warrnambool faces some specific challenges which are putting pressure on housing and/or making it more difficult to increase the supply of social housing:

- an influx of workers for major projects (wind farms, roads)
- a seasonal population influx – the ‘AirBnB effect’ where landlords opt for summer holiday lets rather than long term rentals
- the ‘end of the line’ effect where people are catching the train as far as they can, disembarking in Warrnambool and end up sleeping rough
- Warrnambool acts as a service centre for the surrounding area and people will move off rural properties into Warrnambool if rural living no longer meets their needs due to old age, or if they require access to education, employment or health services.

The effect of all of these challenges is a tightening of the private rental market. This has the flow-on effect of creating a bottle neck so that people are no longer able to move out of transitional housing and into the private market. The result is that fewer people are able to access transitional housing and they end up in overcrowded or unsafe situations.

Another unique challenge that Warrnambool faces is that, other than DHHS, none of the social housing providers have an office within the municipality. This presents challenges for people who want to access their services but it is also likely to affect the potential to attract grant funding to the area. There is a huge demand for social housing in all locations and staff and board members may be more likely to focus new development opportunities in areas where they are located. Being located out of the area also makes it more difficult for social housing providers to build connections with local service providers.

10.2 Opportunities

There are significant challenges to increasing the amount of social housing in the City of Warrnambool but there are also opportunities. The key opportunities are:

- Use of Council or government land to develop new social housing
- Reconfiguration or redevelopment of existing social housing sites to deliver additional social housing
- Potential outsourcing by Council of its housing assets to a community housing organisation providing for more effective tenancy and property management
- Incentives to one or more community housing organisation to locate their offices in the City of Warrnambool, increasing the presence and focus of housing services in Warrnambool
- Partnership projects with companies which are constructing wind farms, to deliver housing they need now, which then can be used for social housing in the future
- Increasing private market housing supply through the strategic planning work being undertaken by Council and the Victorian Planning Authority (VPA)
- Securing social housing through the planning system through voluntary negotiations

10.2.1 ASSESMENT OF GOVERNMENT AND COUNCIL LAND

To determine to what extent Government-owned or Council-owned land provided an opportunity for additional social housing in the City of Warrnambool, a desktop assessment was undertaken of land parcels. The parcels were identified through the rates database as Crown land (Government-owned) or Council-owned. For Council-owned land only freehold land was included, noting the process to change the status of reserve land can take a significant amount of time. To narrow down the list to the most suitable sites, assessment was undertaken on the following:

Zone

Is the zoning of the site facilitative of residential development? Would it be relatively straightforward to obtain a planning permit for residential development on the site?

Sites with the following zoning were removed from the list:

- Farming Zone
- Low Density Residential Zone
- Public Conservation and Resource Zone
- Public Park and Recreation Zone
- PUZ1 – Service and Utility
- PUZ5 – Cemetery / Crematorium
- Rural Living Zone
- Urban Floodway Zone.

Land size

Is the land of a sufficient size to accommodate at least two dwellings on the site? This is to maximise efficiencies of redeveloping a site rather than focusing on smaller sites that could only accommodate one dwelling. Sites less than 1,000m² were removed from the list.

Location

The location of social housing is important as some residents are not able to access private transport and/or need to access services more frequently. Sites that were remote or in non-residential areas were removed from the list.

Incompatible uses

An assessment was made of the existing uses to identify sites that had an existing use that would make it more difficult to develop residential buildings on the site. That may be because of incompatible land uses (e.g. road reserves, former tip sites) or likely community concern about the change of use (memorials). The spreadsheet of sites (Appendix 5) sets out the specific uses that were considered incompatible.

Existing development

Using the description in the rates database of the use of the site, together with a desktop assessment of the building (aerial and street level photography) the list was further refined and the sites were scored 1, 2, or 3. Sites with a score of 1 were vacant land or carparks. Sites with a score of 2 were existing residential buildings, and score 3 had buildings on the site that, if they were redeveloped at some point in the future, might be able to include social housing. Some government sites contained insufficient information to make a robust assessment. They were given a score of 4.

10.2.2 POTENTIAL SITES FOR SOCIAL HOUSING

The assessment of land (Appendix 5) contains confidential information and has been provided separately. Within the spreadsheet, there are instructions on how to access a map of the properties.

The desktop assessment indicated there are potentially 25 Council-owned sites that might be suitable for social housing, but it should be noted that most of these sites have existing buildings on them, only providing an opportunity if or when the site is redeveloped.

However, there are five carparks in the town centre that could provide an opportunity for development above the carpark, allowing the carparking to remain with a residential building above it.

For Government-owned land, there is one vacant site of about 1,000m² in a residential area that provides good potential for the development of three or four social housing dwellings. There are also five residential sites that could provide potential for additional houses if they were to be redeveloped. There are an additional 14 sites that have existing government

buildings on them, plus an additional 17 sites for which there was insufficient information to make an assessment.

10.2.3 REDEVELOPMENT OF EXISTING SOCIAL HOUSING

There are approximately 200 sites within the City of Warrnambool that are owned by DHHS and contain social housing. There is also a mismatch between the demand for one and two-bedroom properties and the existing three and four-bedroom housing stock owned by DHHS.

This provides a significant opportunity to reconfigure existing housing stock to better meet the needs of people on the waiting list.

The benefit of this approach is that the government already owns the land and the cost of redeveloping would be significantly less than a development where the land had to be purchased.

10.2.4 COUNCIL'S HOUSING ASSETS

Warrnambool City Council owns 13 dwellings that were constructed on Council-owned land using State Government funds a considerable time ago. The tenancy and property management of the dwellings is undertaken by Council staff and is supposed to include a process to allocate the properties to single parent families or other people in need.

The management of the properties is not cost-neutral, or cash-flow positive, meaning rates revenue is being used to manage and maintain the properties.

To provide better social housing outcomes the Council could:

- **outsource** the management of the properties to a community housing organisation on a fee-for-service basis. Council would still be liable for the maintenance costs and would continue to receive the rent, less a service fee
- **transfer** the management of the properties to a community housing organisation. The liability for maintenance would also transfer to that organisation but Council would no longer receive any rent
- **dispose** of the properties to a community housing organisation. This would require the Council to follow the statutory process for the sale of council land. Given the age of the properties and large maintenance liability that is likely to exist, the Council will need to offer the properties at a significant discount if they want them to remain as social housing.

10.2.5 A COMMUNITY HOUSING ORGANISATION IN WARRNAMBOOL

The research and engagement for this project identified that without having a community housing organisation located within the City of Warrnambool, it is more difficult to keep a focus on Warrnambool when opportunities arise for advocacy, funding and new developments.

Warrnambool City Council could consider incentives to encourage a community housing organisation to establish an office or a presence in Warrnambool. That opportunity could be tied to the management of the Council-owned housing and/or could include access to office or commercial space.

The community housing organisations with the largest presence in Warrnambool are Aboriginal Housing Victoria and Haven; Home, Safe and these would be a good starting point for discussions.

10.2.6 PARTNERSHIPS WITH PRIVATE COMPANIES

There are large infrastructure and energy projects underway in the region that are placing increased demand on rental housing stock in the City of Warrnambool. To meet their social responsibility commitments, companies are looking for ways to contribute to local communities.

In addition, there are existing landowners and developers in Warrnambool who are part of the community and are keen to deliver meaningful outcomes for residents in an economically sustainable way.

There is scope to bring these parties together and broker an arrangement where the infrastructure and energy companies provide housing for their staff in the short to medium term on the land of willing developers, and the housing is then sold to community housing organisations once the projects are completed.

The contractual arrangements would need to be such that the proposal is economically viable and sustainable for all parties. It is not reasonable to expect the private sector to gift the houses, nor can the community housing sector pay full market price.

10.2.7 PLANNING MECHANISMS

Warrnambool City Council can continue to influence the supply of market housing through the strategic planning work being undertaken by Council and the VPA.

Council can also seek to secure social housing through the planning system through voluntary negotiations as part of rezoning proposals or planning permit applications. Council staff have already attended a training session on negotiating voluntary agreements and will continue to seek opportunities to increase the amount of social housing in the City of Warrnambool.

10.3 Conclusion

The current demand for social housing in the City of Warrnambool far exceeds the supply, in the order of approximately 1,430 dwellings. There have been increasing pressures on the private rental market leading to more people experiencing housing stress and housing uncertainty or homelessness. It is estimated there will need to be 2,812 social housing dwellings in Warrnambool in 2036, almost four times the existing number of social housing dwellings.

The consultation and stakeholder engagement process has provided an important opportunity to bring housing organisations and service providers together to identify existing gaps and also to discuss how housing and service providers can work together.

This report has highlighted that in addition to the need for additional housing dwellings there is also need for a greater presence of community housing organisations in Warrnambool to drive collaboration and advocacy, and to drive the development of new social housing in the region.

Warrnambool City Council can improve social housing outcomes by better utilising the social housing stock it owns. The simplest way to do this would be through a fee-for-service arrangement for the management of the Council-owned houses. However, if Council truly wants to build the capacity of the community housing sector within Warrnambool, it could transfer the management of the houses to a community housing organisation or sell the properties to a community housing organisation (following the appropriate statutory process).

Council could also seek to advocate for or broker partnership arrangements with the private and community housing sector and encourage a community housing organisation to locate in Warrnambool.

Together, these actions would help build the capacity of the community housing sector within the City of Warrnambool and should result in an increase in the amount of social housing in the municipality.

The Council should advocate to State Government for the redevelopment of existing social housing to better match housing configuration to demand, leveraging the existing DHHS land assets to deliver additional social housing outcomes.

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A1.0 Demographic and housing data overview

Table 2: Demographic summary for the Warrnambool City Council, 2016 (profile.id)

Demographic Summary	City of Warrnambool	Regional Victoria
Median age (atlas.id)	40 years	43 years
Gender		
Females:	52.0%	50.9%
Males:	48.0%	49.1%
Aged below 15 years old	18.2%	18.2%
Aged 50 years old and above	38.1%	31.1%
Speak languages other than English at home	4.2%	6.0%
Couples with children	25%	25%
Employed	94.7%	94.0%
Median weekly household income	\$1,180	\$1,124
Housing structure - separate house	78.7%	87.9%
SEIFA Index of Disadvantage (ABS SEIFA)	986.0	977.0

The Warrnambool City Estimated Resident Population for 2018 is 34,862, with a population density of 2.89 persons per hectare. The population is forecast to grow to 46,210 by 2036 – a 26 per cent increase in population.

At the 2016 census, there were 15,188 private dwellings with an average household size of 2.36 people.

The City of Warrnambool's median age is 40 compared to the regional Victorian median age of 43 and the Australian median age of 38.

As with other regional cities, Warrnambool has an ageing community. One in five residents are under 15 years old (a proportion which is decreasing), and one in five residents are aged over 65 years (a proportion which is increasing).

About 75 per cent of the City of Warrnambool's annual net population growth comes from migration – domestic (particularly other Great South Coast municipalities and Melbourne) and overseas.

Babies born in the city represent 25 per cent of population growth. Domestic migration comprises mostly young families (35-44 years) and those who have retired or are reaching retirement age (55 years and over).

Warrnambool is home to people from 33 countries. The most significant growth from 2011-2016 was from people born in China, Taiwan, South Korea and Thailand.

At the 2016 census, 2,731 of people living in the City of Warrnambool were born overseas. Of these, one in four arrived in Australia in the five years leading to Census 2016. Of the total population, four per cent speak a language other than English at home – a significant increase of 526 people between 2011-2016.

The number of residents who identified as Aboriginal or Torres Strait Islander in the Census (2011-2016) increased by 10 per cent from 495 to 556.

At the 2016 census, 15,724 people were working in Warrnambool. Of these people, 12,738 lived in the City of Warrnambool, 2,337 lived in the Moyne Shire, and 302 lived in the Corangamite Shire.

A1.1 Population

There are a number of different ways of measuring the population of an area, all of which give an insight into the size of the place and its rate of growth over different time periods.

The Census counts people where they are on the night of the Census (enumerated population) and also by where they usually live (usual residence). The usual resident population of the City of Warrnambool in 2016 was 33,655.

However, the most accurate count of the total population is Estimated Resident Population, which factors in an estimate of those missed in the Census and those who were overseas on Census night. It is usually higher than either Census count and is also updated annually after the Census, providing preliminary estimates for up to five years.

The estimated residential population in the City of Warrnambool in 2018 was 34,242.

Table 3: Population summary for the Warrnambool City Council, 2016 (profile.id)

Warrnambool City - Total persons	2016			2011			Change
	Number	%	Regional VIC %	Number	%	Regional VIC %	2011 to 2016
Estimated Resident Population	34,242			32,667			+1,575
Enumerated Population	33,035			31,691			+1,344
Usual Resident Population	33,655			32,028			+1,627

Source: Australian Bureau of Statistics, [Census of Population and Housing](#) 2011 and 2016. Compiled and presented in profile.id by [.id](#), the population experts.

A1.1.1 AGE STRUCTURE

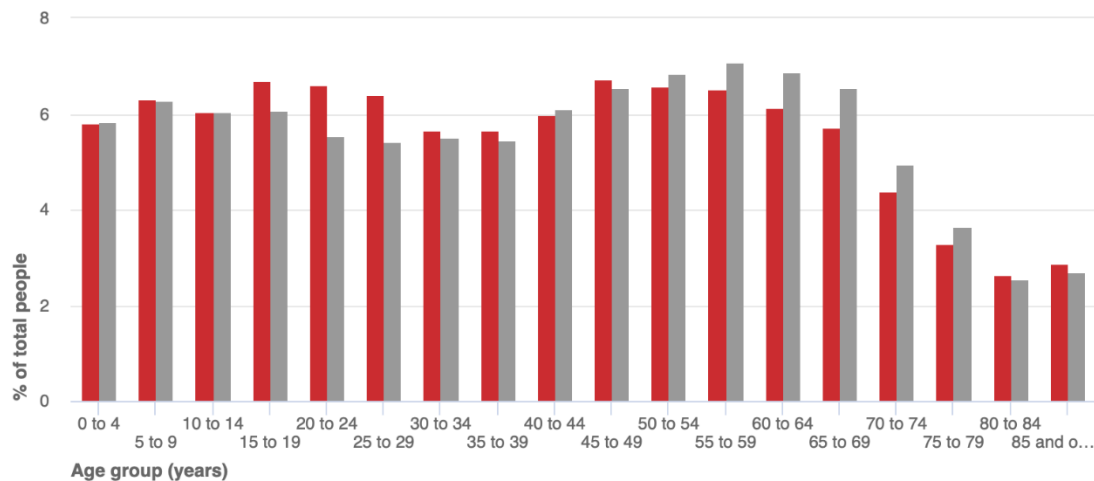
The age structure of the City of Warrnambool provides key insights into the level of demand for age-based services and facilities such as childcare. It is also an indicator of the City of Warrnambool’s residential role and function and how it is likely to change in the future.

Analysis of the five-year age groups of the City of Warrnambool in 2016 compared to regional Victoria shows that there was an equal proportion of people in the younger age groups (under 15) (18.2 per cent) and a higher proportion of people aged over 50. Overall, 21.4 per cent of the population was aged between 0 and 15, and 18.2 per cent were aged 65 years and over, compared with 18.2 per cent and 20.4 per cent respectively for Greater Melbourne.

Age structure - five year age groups, 2016

Total persons

■ Warrnambool City ■ Regional VIC



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.



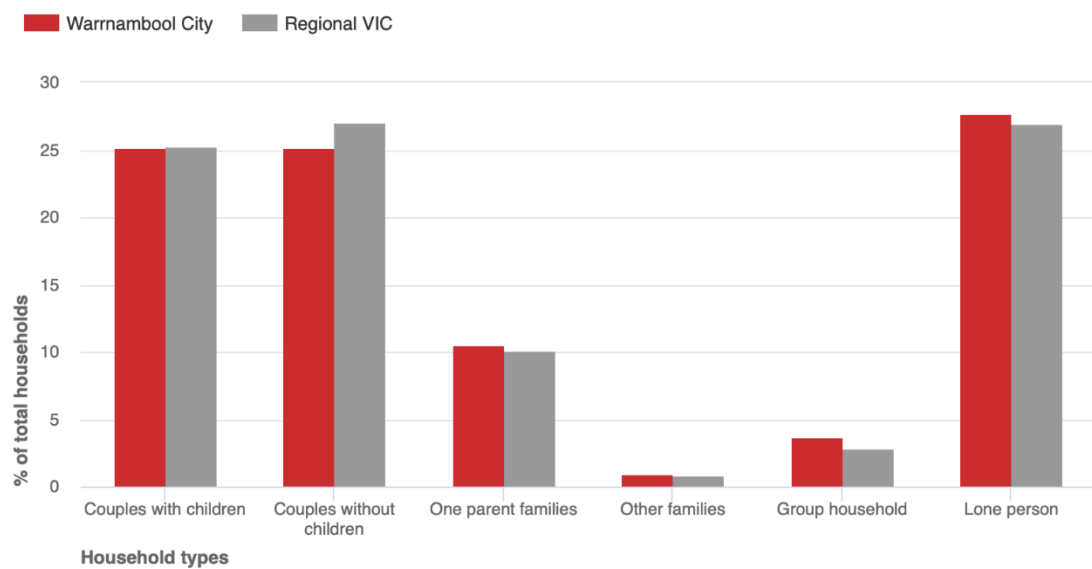
A1.1.2 HOUSEHOLDS

The City of Warrnambool’s household and family structure is one of the most important demographic indicators. It reveals the area's residential role and function, era of settlement and provides key insights into the level of demand for services and facilities, as most are related to age and household types.

Analysis of the household/family types in the City of Warrnambool in 2016 shows that it is pretty well-aligned with the household/family types across regional Victoria. Overall, 25.2 per cent of total families were couple families with children, and 10.5 per cent were one-parent families, compared with 27.1 per cent and 10.1 per cent respectively for regional Victoria.

There were a similar proportion of lone person households and a lower proportion of couples without children. Overall, the proportion of lone person households was 27.7 per cent compared to 27 per cent in regional Victoria while the proportion of couples without children was 25.3 per cent compared to 27.1 per cent in regional Victoria.

Household type, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



A1.1.3 INCOME

In the City of Warrnambool, 6.9 per cent of the population earned an income of \$1,750 or more per week in 2016.

Analysis of individual income levels in Warrnambool in 2016 compared to regional Victoria shows that there was a similar proportion of people earning a high income (those earning \$1,750 per week or more) and a lower proportion of low-income people (those earning less than \$500 per week).

Overall, 6.9 per cent of the population earned a high income, and 37.9 per cent earned a low-income, compared with 6.9 per cent and 40.2 per cent respectively for regional Victoria.

The major differences between Warrnambool’s individual weekly incomes and regional Victoria's individual weekly incomes were:

- a larger percentage of persons who earned \$800 - \$999 (9.7 per cent compared to 8.5 per cent)
- a larger percentage of persons who earned \$650 - \$799 (9.3 per cent compared to 8.5 per cent)
- a smaller percentage of persons who earned negative income/nil income (5.9 per cent compared to 7.2 per cent)
- a smaller percentage of persons who earned \$300 - \$399 (9.3 per cent compared to 10.5 per cent).

Weekly individual income, 2016

Total persons



Weekly gross income

Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Usual residence data). Compiled and presented in profile.id by .id, the population experts.



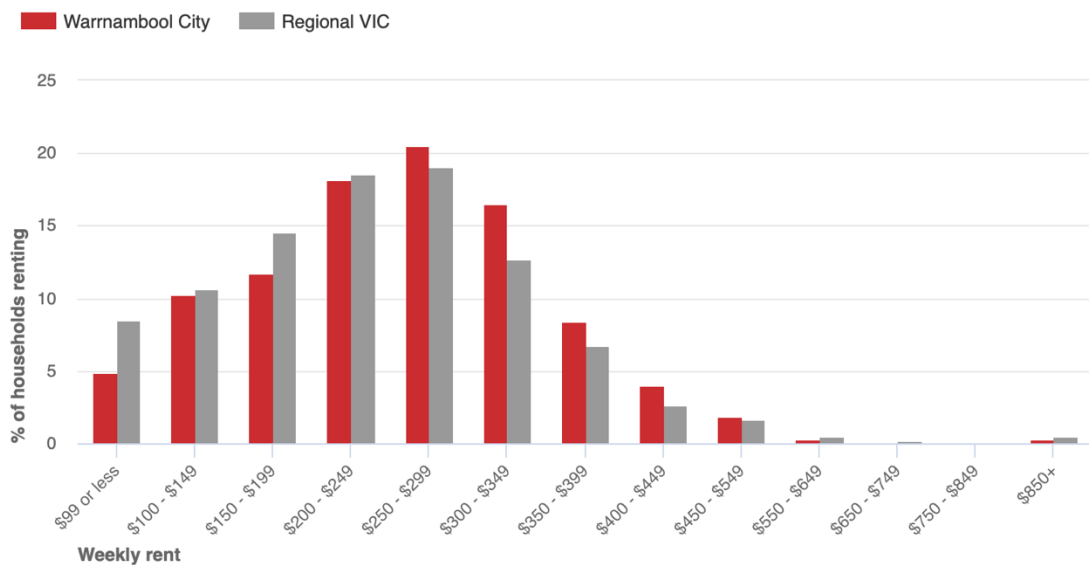
A1.1.4 WEEKLY RENTAL PAYMENTS

Rental payments can be a better measure of the cost of housing in the City of Warrnambool than mortgage repayments because they are not contingent on length of occupancy or equity in the dwelling.

Analysis of the weekly housing rental payments of households in Warrnambool compared to regional Victoria shows that there was a similar proportion of households paying high rental payments (\$450 per week or more) and a smaller proportion of households with low rental payments (less than \$250 per week).

Overall, 2.5 per cent of households were paying high rental payments, and 45.0 per cent were paying low payments, compared with 2.9 per cent and 52.2 per cent respectively in regional Victoria.

Weekly housing rental payments, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



A1.1.5 CHANGES IN POPULATION

Populations are counted and estimated in several ways. The most comprehensive population count available in Australia is derived from the Census of Population and Housing conducted by the Australian Bureau of Statistics (ABS) every five years.

The Estimated Resident Population (ERP) is the official population for 2018. For areas within the Warrnambool municipality, the ERP is not an official count but an experimental estimate which is subject to review after the next Census.

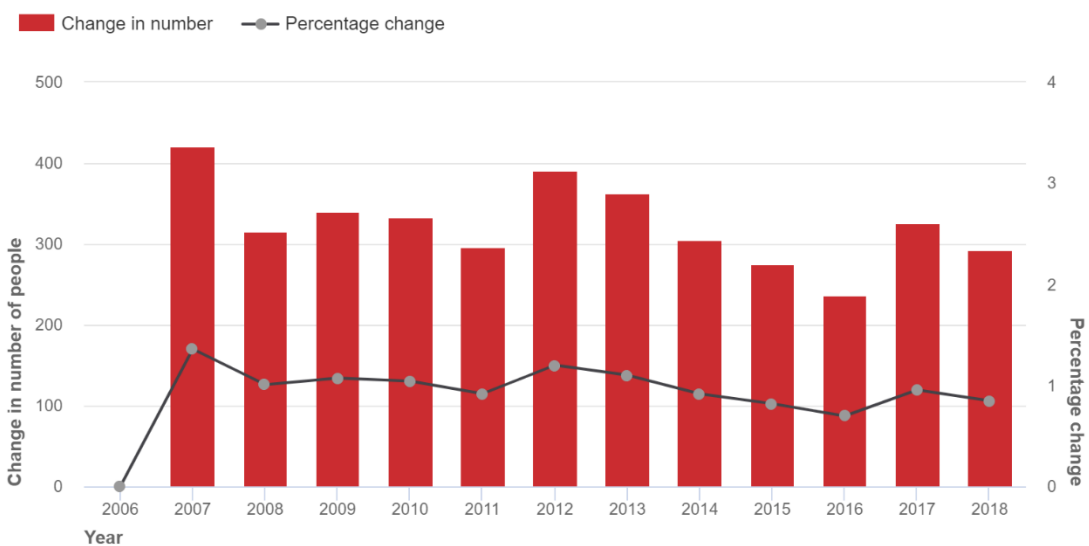
The Census count is generally an underestimate of the actual population, due to people missed in the Census and people overseas on Census night.

To provide a more accurate population figure, which is updated more frequently than every five years, the Australian Bureau of Statistics also produces an ERP for Warrnambool City Council.

The City of Warrnambool's ERP for 2018 is 38,462 people, a change of approximately 1 per cent.

Annual change in Estimated Resident Population (ERP)

Warrnambool City



Source: Australian Bureau of Statistics, Regional Population Growth, Australia (3218.0). Compiled and presented by .id the population experts

.id the population experts

A1.1.6 POPULATION FORECAST

Between 2016 and 2036, the population for the City of Warrnambool is forecast to increase by 11,966 persons (34.95 per cent growth), at an average annual change of 1.51 per cent.

This rate of annual change is slightly higher than in recent years (1.36 per cent in 2007, 1.4 per cent in 2010, 0.82 per cent in 2015).

Table 4: Warrnambool City Council's population forecast (profile.id)

Warrnambool City Area	Forecast year					Change between 2016 and 2036	
	2016	2021	2026	2031	2036	Total change	Avg. annual % change
Warrnambool City	34,243	37,225	40,323	43,304	46,209	+11,966	+1.51
Allansford - Rural East	1,264	1,310	1,363	1,409	1,475	+211	+0.78
Bushfield - Woodford	937	1,000	1,058	1,116	1,193	+256	+1.21
Dennington area	2,028	2,324	2,676	3,065	3,402	+1,374	+2.62
Warrnambool (Botanic)	2,795	2,877	2,943	3,024	3,098	+302	+0.51
Warrnambool (Central)	3,828	4,019	4,107	4,163	4,219	+391	+0.49
Warrnambool (East - Racecourse)	3,694	3,696	3,763	3,867	3,981	+287	+0.37
Warrnambool (North East)	4,013	5,094	5,986	6,523	7,027	+3,014	+2.84
Warrnambool (North of Merri)	917	1,311	1,908	2,880	3,867	+2,950	+7.46
Warrnambool (North)	2,585	2,594	2,703	2,770	2,823	+238	+0.44
Warrnambool (South - Merrivale)	3,499	3,697	3,862	4,005	4,192	+693	+0.91
Warrnambool (South East - Hopkins)	3,938	4,405	4,852	5,252	5,636	+1,698	+1.81
Warrnambool (West)	4,744	4,899	5,102	5,231	5,297	+552	+0.55

Population and household forecasts, 2016 to 2036, prepared by [.id](#), the population experts, December 2017.

A1.1.7 ABORIGINAL AND TORRES STRAIT ISLANDER POPULATION

The Aboriginal and Torres Strait Islander Census population of the City of Warrnambool in 2016 was 550, living in 261 dwellings.

In Warrnambool, 43 per cent of Aboriginal and Torres Strait Islander households earned \$1,000 or more per week.

Analysis of Aboriginal and Torres Strait Islander household income levels in Warrnambool in 2016 compared to Aboriginal and Torres Strait Islander household income levels in Victoria shows that there was a smaller proportion of high-income households (those earning \$2,500 per week or more) and a higher proportion of low-income households (those earning less than \$650 per week).

Overall, 7.8 per cent of the households earned a high income, and 24.6 per cent were low-income households, compared with 14.2 per cent and 21.5 per cent respectively for Aboriginal and Torres Strait Islander households in Victoria.

The major differences between weekly incomes of Aboriginal and Torres Strait Islander households in Warrnambool and Aboriginal and Torres Strait Islander households in Victoria were:

- a larger percentage of households who earned \$650 - \$799 (11.2 per cent compared to 8.0 per cent)
- a larger percentage of households who earned \$1,000 - \$1,249 (11.6 per cent compared to 8.9 per cent)
- a larger percentage of households who earned \$500 - \$649 (8.2 per cent compared to 5.6 per cent)
- a smaller percentage of households who earned \$2,500 - \$2,999 (2.6 per cent compared to 5.3 per cent).

A1.1.8 ABORIGINAL AND TORRES STRAIT ISLANDER HOUSING TENURE

Analysis of the housing tenure of the Aboriginal and Torres Strait Islander population of the City of Warrnambool in 2016 compared to the Aboriginal and Torres Strait Islander population in Victoria shows that there was a smaller proportion of households who owned their dwelling, a smaller proportion purchasing their dwelling, and a larger proportion who were renters.

Overall, 10.5 per cent of the population owned their dwelling, 21.5 per cent were purchasing, and 68.4 per cent were renting, compared with 14.2 per cent, 29.1 per cent and 51.7 per cent respectively for the Aboriginal and Torres Strait Islander population in Victoria.

The major differences between housing tenure for Aboriginal and Torres Strait Islander households in Warrnambool and Aboriginal and Torres Strait Islander households in Victoria were:

- a larger percentage of households who were renting (68.4 per cent compared to 51.7 per cent)
- a larger percentage of households who were renting social housing (23.8 per cent compared to 12.9 per cent)
- a smaller percentage of households who were purchasing their dwelling (21.5 per cent compared to 29.1 per cent)
- a smaller percentage of households who owned their dwelling (10.5 per cent compared to 14.2 per cent)

A1.2 Dwellings

A1.2.1 DWELLING SUMMARY

At the 2016 census, there were 15,188 dwellings in the City of Warrnambool. A larger proportion of these dwellings were privately occupied (89.2 per cent) as compared to regional Victoria (83.6 per cent). There was also a lower number of people living in each dwelling in the City of Warrnambool (two) compared to regional Victoria (2.4).

Table 5: Warrnambool City Council's dwelling summary (profile.id)

Dwellings							
Warrnambool City - Households (Enumerated)		2016		2011			Change
Dwellings	Number	%	Regional Victoria %	Number	%	Regional Victoria %	2011 to 2016
Total dwellings	15,188	100.0	100.0	13,982	100.0	100.0	+1,206
Occupied private dwellings	13,548	89.2	83.6	12,580	90.0	83.3	+968
Population in non-private dwellings	1,050			1,250			-200
Average household size (persons per dwelling)	2		2.4	2		2.4	0

Source: Australian Bureau of Statistics, [Census of Population and Housing](#) 2011 and 2016 (Enumerated).
Compiled and presented in profile.id by [.id](#), the population experts.

A1.2.2 RESIDENTIAL BUILDING APPROVALS

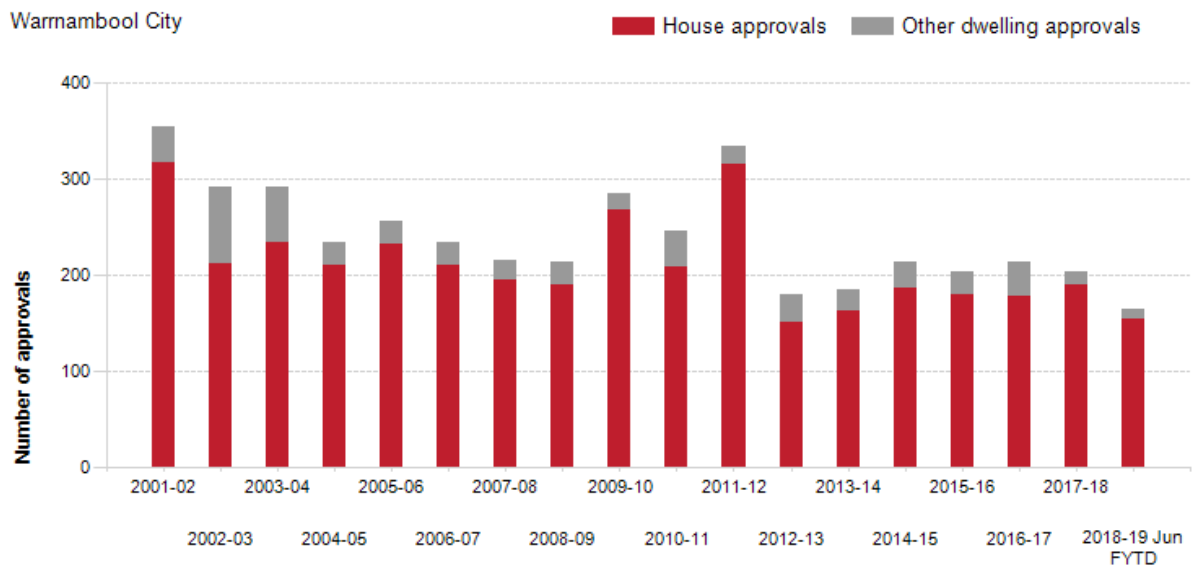
In the City of Warrnambool 164 residential buildings were approved to be built in the 2018/19 financial year.

The City of Warrnambool’s building approvals are used as a leading indicator of the general level of residential development, economic activity, employment and investment.

Residential building activity depends on many factors that vary with the state of the economy, including interest rates, availability of mortgage funds, government spending and business investment.

Large financial changes or shocks, such as the Global Financial Crisis of 2008/09 can be observed in the data. However, the number of building approvals can fluctuate substantially from year to year simply as a result of the short-term nature of many construction projects and the cyclical nature of the industry.

Residential building approvals



Financial year

Source: Australian Bureau of Statistics, Building Approvals, Australia (8731.0). Compiled and presented by .id, the population experts.

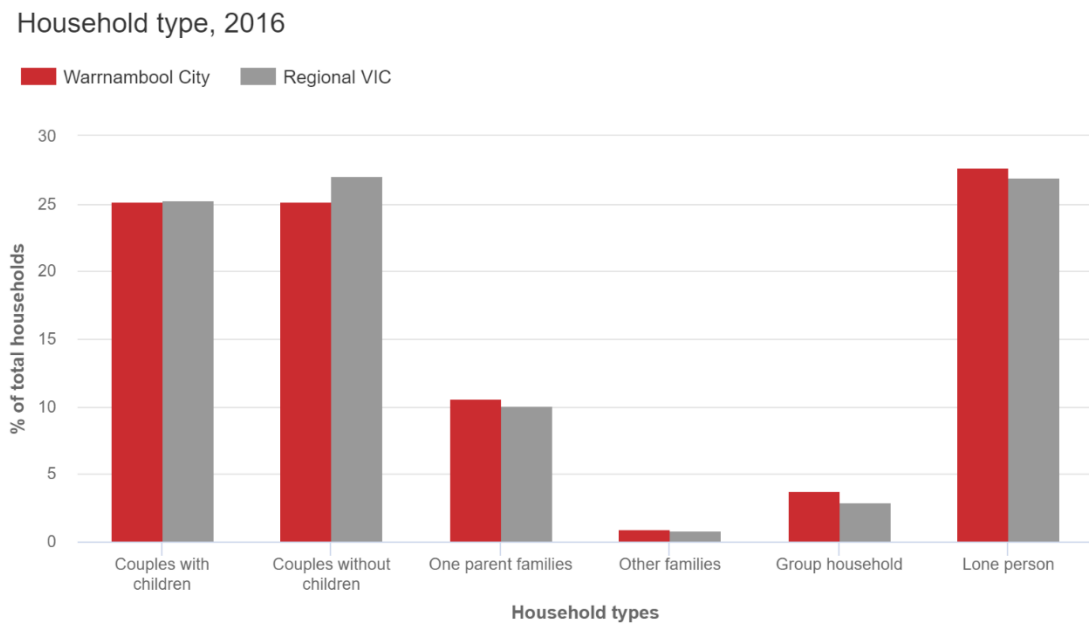


A1.3 Households

A1.3.1 HOUSEHOLD TYPES

Warrnambool City's household and family structure is one of the most important demographic indicators. It reveals the area's residential role and function, era of settlement and provides key insights into the level of demand for services and facilities as most are related to age and household types.

In Warrnambool City, 25.2% of households were made up of couples with children in 2016, compared with 25.3% in Regional VIC.



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

.id the population experts

A1.3.2 CHANGE IN HOUSEHOLD TYPES

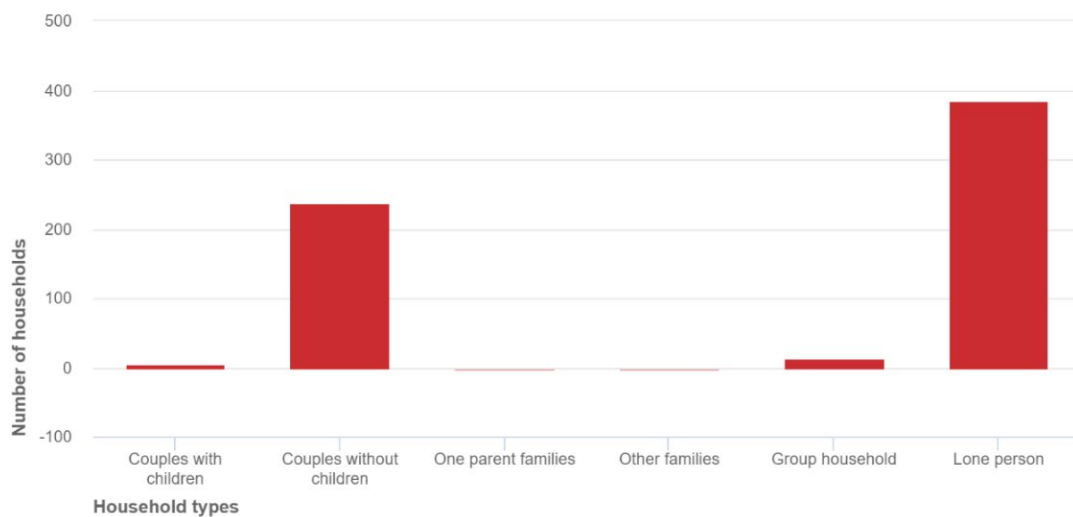
The number of households in the City of Warrnambool increased by 618 between 2011 and 2016.

Changes in the number of persons usually resident in a household in the City of Warrnambool between 2011 and 2016 were:

- 1 person (+390 households)
- 2 persons (+227 households)
- 4 persons (+62 households)
- 5 persons (-51 households)

Change in household type, 2011 to 2016

Warrnambool City



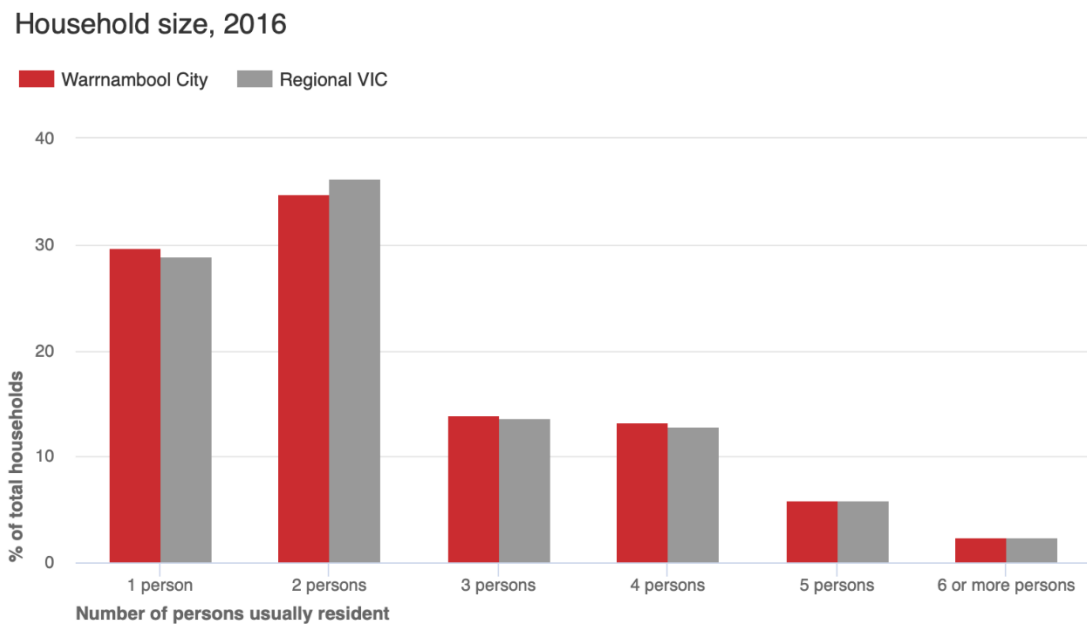
Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



A1.3.3 HOUSEHOLD SIZE

Generally the size of households follows the lifecycle of families. Households are usually small at the stage of relationship formation (early marriage) and then increase in size with the advent of children. They later reduce in size again as these children reach adulthood and leave home. Household size can also be influenced by a lack (or abundance) of Affordable Housing. Overseas migrants and indigenous persons often have a tradition of living with extended family members, which significantly affects household size.

In 2016, 30% of households in Warrnambool City contained only one person, compared with 29.0% in Regional VIC, with the most dominant household size being 2 persons per household.



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



A1.3.4 CHANGE IN HOUSEHOLD SIZE

The major difference in the household size for the City of Warrnambool and regional Victoria was a smaller percentage of households with two persons usually resident (34.8 per cent compared to 36.2 per cent).

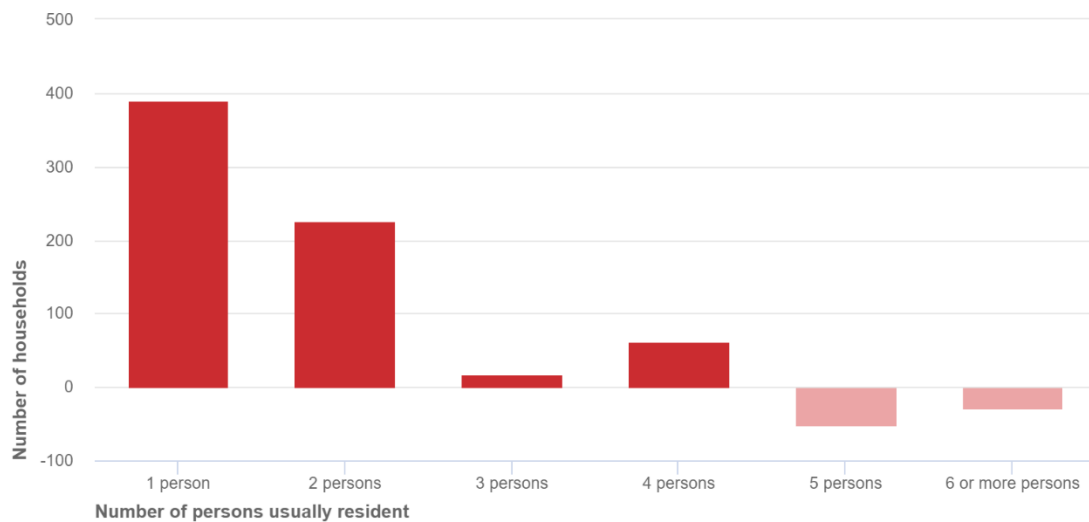
The largest changes in the number of persons usually resident in a household in Warrnambool between 2011 and 2016 were:

- 1 person (+390 households)
- 2 persons (+227 households)
- 4 persons (+62 households)
- 5 persons (-51 households)

Warrnambool's declining household size may indicate children leaving the area when they leave home, an increase in retirees settling in the area, or an attraction of young singles and couples to the area.

Change in household size, 2011 to 2016

Warrnambool City



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

.id the population experts

A1.4 Housing tenure

A1.4.1 HOMELESSNESS

Homelessness is not just the result of too few houses. Its causes are many and varied. Domestic violence, a shortage of Affordable Housing, unemployment, mental illness, family breakdown and drug and alcohol abuse all contribute to the level of homelessness in Australia. Homelessness is not a choice. Homelessness is one of the most potent examples of disadvantage in the community and one of the most important markers of social exclusion.

While homelessness itself is not a characteristic that is directly collected in the Census of Population and Housing, estimates of the homeless population may be derived from the Census using analytical techniques based on both the characteristics observed in the Census and assumptions about the way people may respond to Census questions.

The ABS definition of homelessness underpins the methodology used to compile the ABS estimates of homelessness. An overview of the definition is provided in 'Appendix 1: Definition of Homelessness', available from the 'Explanatory Notes' tab of this publication. Under the ABS definition, a person is homeless if they do not have suitable accommodation alternatives and their current living arrangement:

- is in a dwelling that is inadequate
- has no tenure, or if their initial tenure is short and not extendable
- does not allow them to have control of and access to space for social relations.

In 2016, It was estimated that there were 149 people experiencing homelessness in the City of Warrnambool (Australia Bureau of Statistics, 2018).

A1.4.2 HOUSING TENURE

The City of Warrnambool's housing tenure data provides insights into its socioeconomic status as well as the role it plays in the housing market. For example, a high concentration of private renters may indicate a transient area attractive to young singles and couples, while a concentration of home owners indicates a more settled area with mature families and empty-nesters. In conjunction with other socioeconomic status indicators in the City of Warrnambool, tenure data is useful for analysing housing markets and housing affordability as well as for identifying public housing areas.

Analysis of the housing tenure of the population of Warrnambool in 2016 compared to regional Victoria shows that there was a slightly smaller proportion of households who owned their dwelling and significantly larger proportion of people renting (29.1 per cent compared to 23.9 per cent for regional Victoria), including a larger proportion of people living in social housing (5.2 per cent compared to 3.3 per cent for regional Victoria).

Overall, 32.0 per cent of households owned their dwelling; 29.3 per cent were purchasing, and 29.1 per cent were renting, compared with 35.7 per cent, 31.2 per cent and 23.9 per cent respectively for regional Victoria.

Housing tenure, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.



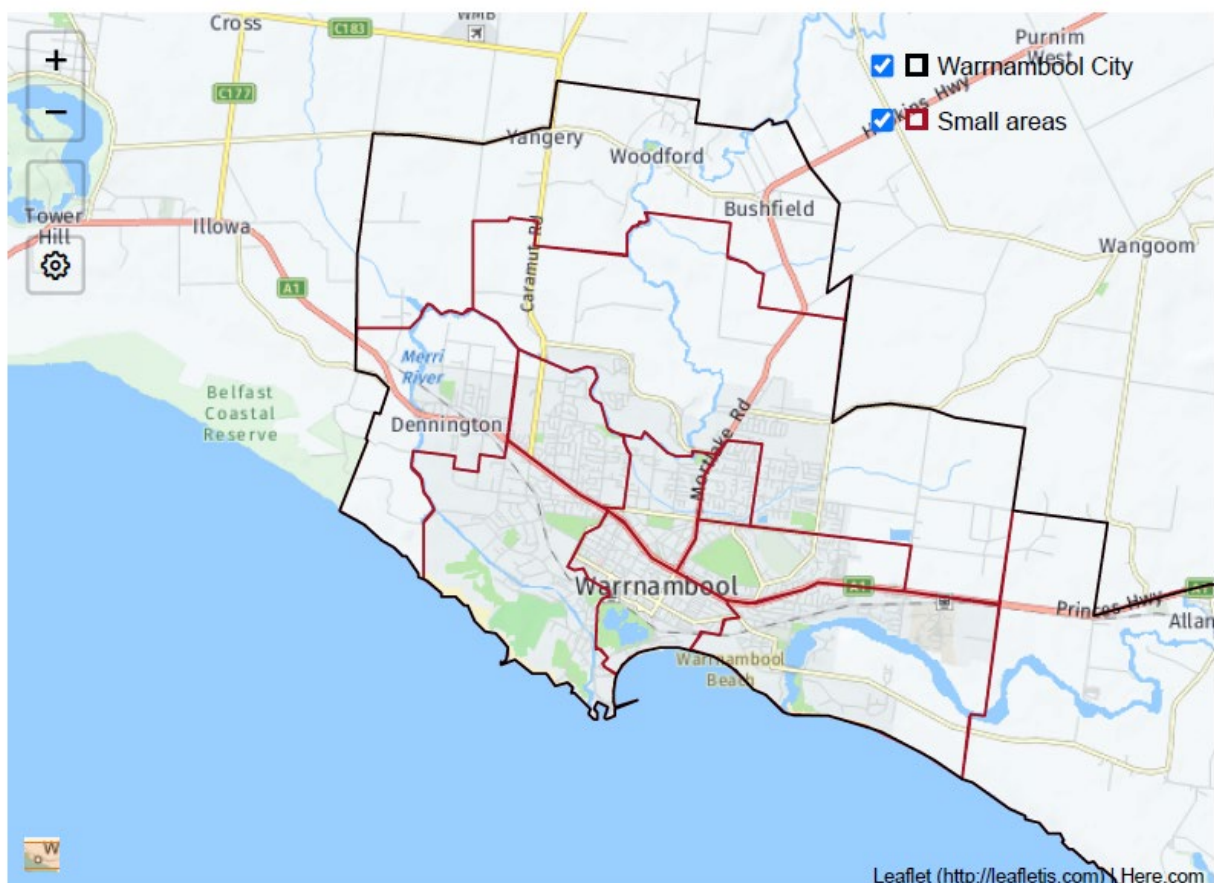
Rental tenure

In 2016, 23.5 per cent of Warrnambool's households were renting their dwelling from a private landlord or estate agent, compared to 19.8 per cent in regional Victoria.

While the City of Warrnambool had a higher proportion of households who were renting privately, this varied across the municipality. Proportions ranged from a low of 11.3 per cent in rural balance to a high of 34.1 per cent in Warrnambool (Central). The five areas with the highest percentages were:

- Warrnambool (Central) (34.1%)
- Warrnambool (East - Racecourse) (29.1%)
- Warrnambool (North) (24.0%)
- Warrnambool (West) (23.1%)
- Warrnambool (South - Merrivale) (22.9%)

The map below shows the boundaries of the small areas used for the collation of demographic data. Unfortunately the area labels are not shown here because they could not be exported, but they are available on the website: <https://profile.id.com.au/warrnambool>.



Compiled and presented in profile.id by .id, the population experts.

Social Housing

In 2016, 5.2 per cent of the City of Warrnambool's households were renting their dwelling from a government authority (also known as public housing) compared to 3.3 per cent in regional Victoria.

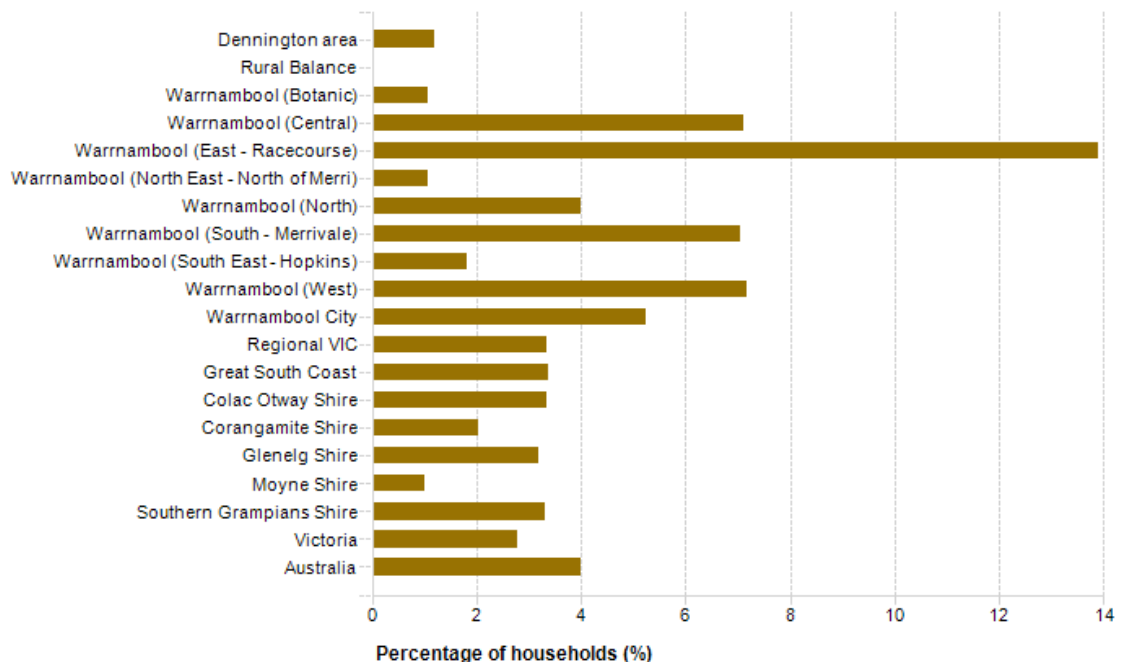
While the City of Warrnambool had a higher proportion of households who were renting from a government authority, this varied across the municipality. Proportions ranged from a low of zero per cent in rural balance to a high of 13.9 per cent in Warrnambool (East - Racecourse). The five areas with the highest percentages were:

- Warrnambool (East - Racecourse) (13.9%)
- Warrnambool (West) (7.2%)
- Warrnambool (Central) (7.1%)
- Warrnambool (South - Merrivale) (7.0%)
- Warrnambool (North) (4.0%)

This data includes all dwellings that are rented from a State Government housing authority and households renting from a housing co-operative, community organisation or church group.

Households renting social housing, 2016

Warrnambool City



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
Compiled and presented in atlas.id by .id, the population experts.

.id the population experts

Housing loan repayments

In the City of Warrnambool, 8.7 per cent of households with a mortgage were making high loan repayments of \$2,600 or more per month in 2016.

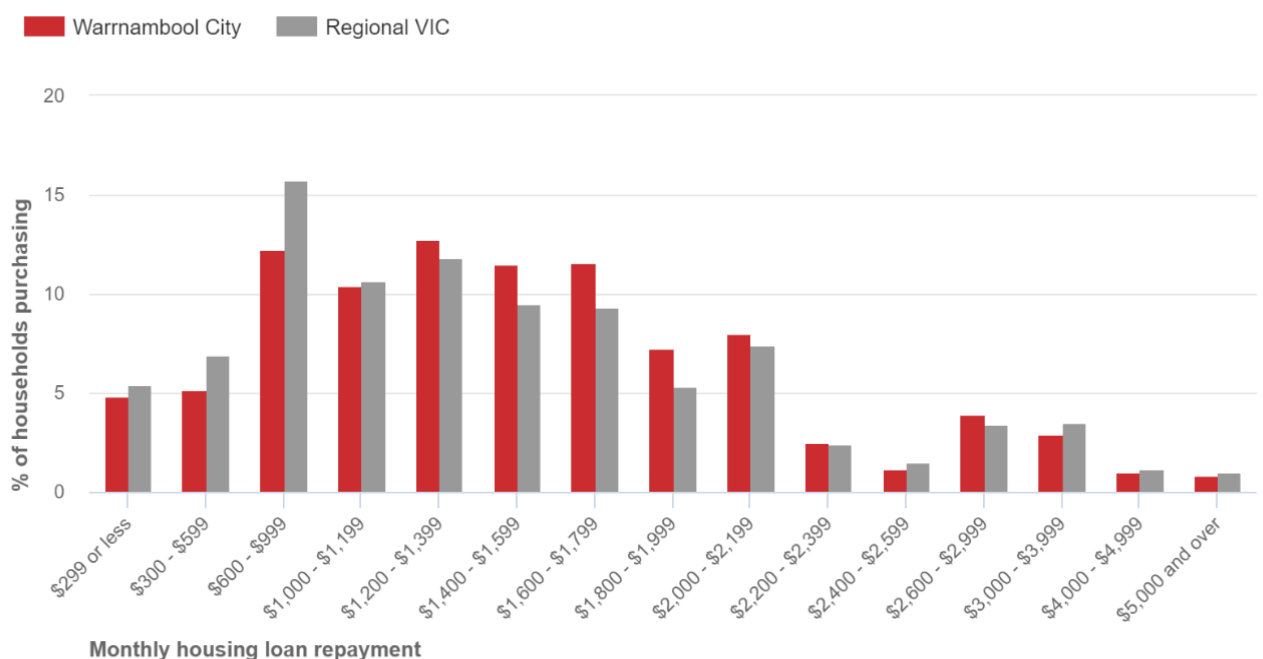
Mortgage repayments are directly related to house prices in Warrnambool, length of occupancy and the level of equity of home owners. When viewed with household income data it may also indicate the level of housing stress households in the community are under.

In mortgage belt areas it is expected that households will be paying a higher proportion of their income on their housing compared to well-established areas. First home buyer areas are also likely to have larger mortgages than upgrader areas where households move in with equity from elsewhere.

Analysis of the monthly housing loan repayments of households in the City of Warrnambool compared to regional Victoria shows that there was a similar proportion of households paying high mortgage repayments (\$2,600 per month or more), and a smaller proportion of households with low mortgage repayments (less than \$1,200 per month).

Overall, 8.7 per cent of households were paying high mortgage repayments, and 32.7 per cent were paying low repayments, compared with 9 per cent and 38.8 per cent respectively in regional Victoria.

Monthly housing loan repayments, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

.id the population experts

Housing rental payments

In the City of Warrnambool, 2.5 per cent of renting households were paying \$450 or more per week in rent in 2016.

Rental payments can be a better measure of the cost of housing in Warrnambool than mortgage repayments because they are not contingent on length of occupancy or equity in the dwelling.

High rental payments may indicate desirable areas with mobile populations who prefer to rent, or a housing shortage, or gentrification. Low rental payments may indicate public housing or areas where low-income households move by necessity for a lower cost of living.

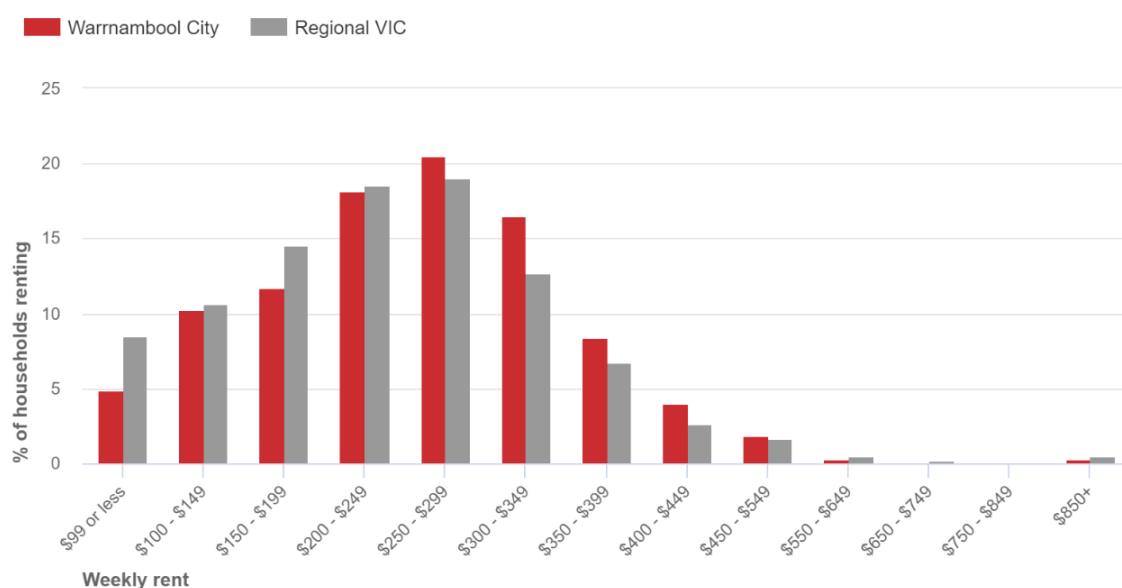
Analysis of the weekly housing rental payments of households in the City of Warrnambool compared to regional Victoria shows that there was a similar proportion of households paying high rental payments (\$450 per week or more), and a smaller proportion of households with low rental payments (less than \$250 per week).

Overall, 2.5 per cent of households were paying high rental payments and 45 per cent were paying low rental payments, compared with 2.9 per cent and 52.2 per cent respectively in regional Victoria.

The major differences between the weekly housing rental payments of the City of Warrnambool and regional Victoria were:

- a larger percentage of \$300 - \$349 (16.5 per cent compared to 12.7 per cent)
- a larger percentage of \$350 - \$399 (8.4 per cent compared to 6.7 per cent)
- a smaller percentage of \$99 or less (4.8 per cent compared to 8.5 per cent)
- a smaller percentage of \$150 - \$199 (11.8 per cent compared to 14.6 per cent).

Weekly housing rental payments, 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data). Compiled and presented in profile.id by .id, the population experts.

.id the population experts

Rental quartiles

It is difficult to analyse rental payments over time as these are highly influenced by inflation. However, by using rental payment quartiles as a measure it is possible to compare relative rental liabilities (costs) over time independent of inflation.

The rental payment quartile measure looks at the distribution of rents among rented households in the City of Warrnambool relative to Victoria.

This is achieved by creating rental quartiles for Victoria by ranking all renting households from the lowest payments to the highest payments and then dividing the list into four equal groups or quartiles. By definition, in Victoria 25 per cent of persons fall into each category.

This method is repeated for each Census period, which means the quartiles are represented by different rental payment costs for each census period. The table shows the payment categories for Victoria for each quartile in each Census period.

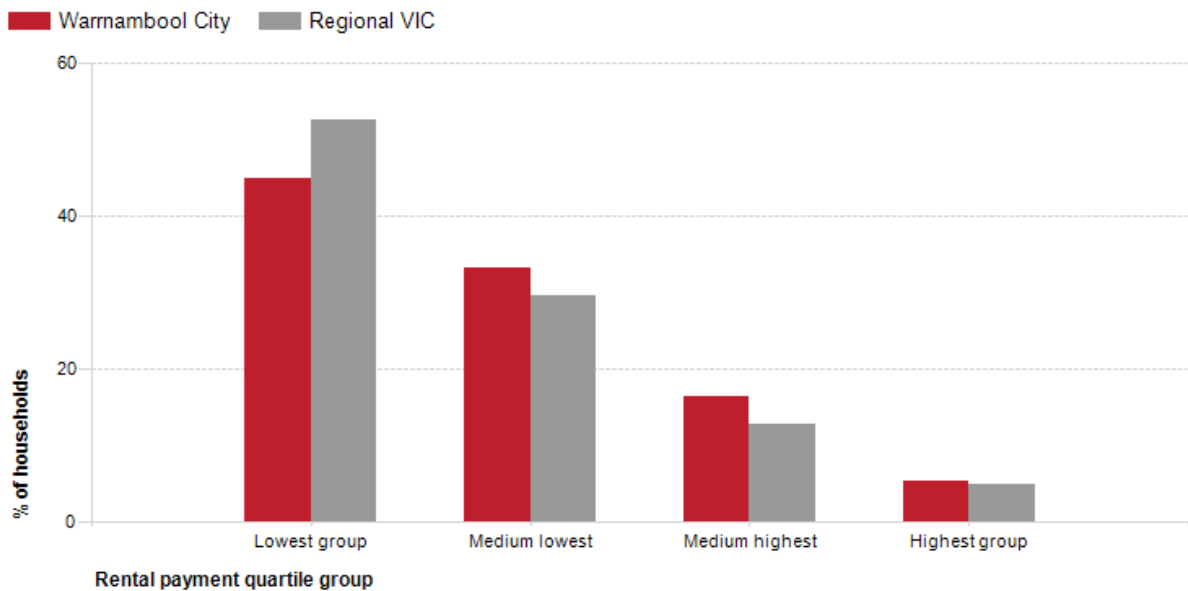
Table 6: Quartile group dollar ranges (housing rental payments). Source: id.

Calculated from rental payment data for Victoria	Weekly housing rental payments by Census year					
	2016	2011	2006	2001	1996	1991
Household income ranges						
Lowest group	\$0 to \$245	\$0 to \$190	\$0 to \$133	\$0 to \$109	na	na
Medium lowest	\$246 to \$330	\$191 to \$279	\$134 to \$190	\$110 to \$156	na	na
Medium highest	\$331 to \$416	\$280 to \$362	\$191 to \$252	\$157 to \$205	na	na
Highest group	\$417 and over	\$363 and over	\$253 and over	\$206 and over	na	na

Using the rental payment quartile method shows the number and proportion of renting households in the City of Warrnambool that fall into each of the four quartiles. This gives a clear picture of how rents in Warrnambool compare to that of Victoria.

In the City of Warrnambool, 44.9 per cent of rental households fell within the bottom category and only 5.4 per cent in the highest, which indicates that Warrnambool has proportionally more people paying low rents relative to the state, and less high rent payers. This data is comparable to the data for regional Victoria, as depicted below.

Housing rental quartiles for 2016



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
 Compiled and presented in profile.id by .id, the population experts.



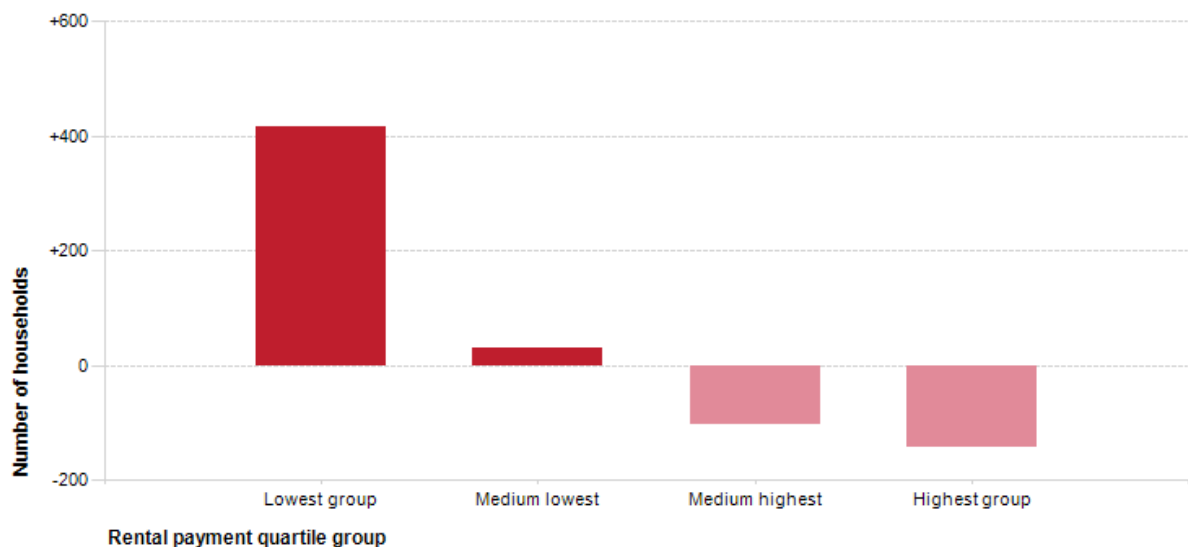
Emerging groups

The total number of households renting their dwelling in the City of Warrnambool increased by 198 between 2011 (3,642 households) and 2016 (3,840 households).

The most significant change during this period was within the rental payment lowest quartile, which showed an increase of 418 households.

Change in housing rental quartiles, 2011 to 2016

Warrnambool City



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data)
 Compiled and presented in profile.id by .id, the population experts.



A1.5 Low-income households

In 2016, there were 6,541 people in low-income households living in Warrnambool.

Those on low incomes may have quite different characteristics and living arrangements from the total population, and many Local, State and Federal Government services are targeted at those with limited financial means, so it is an important group to understand.

Low-income households for the purposes of the communities of interest profiles are defined as households falling into approximately the bottom 20 per cent of equivalised incomes across Australia. For 2016, this includes the range of households under \$500 per week, while for comparison in 2011, the cut off of \$400 per week is used. It is necessary to use a whole income range to define this. Despite inflation, the 2016 cut-off includes slightly more households (about 22 per cent of all households) than the 2011 figure. Overall numbers are therefore likely to increase in most areas.

Table 7: Warrnambool City Council’s low-income households summary (profile.id)

Key statistics							
Warrnambool City - Low-income households	2016			2011			Change
	Number	%	Regional Victoria	Number	%	Regional Victoria	2011 to 2016
Total Population	6,541	100.0	100.0	5,408	100.0	100.0	+1,133
Males	2,854	43.6	46.2	2,338	43.2	45.5	+516
Females	3,689	56.4	53.8	3,074	56.8	54.5	+615
Total households	3,239	100.0	100.0	2,677	100.0	100.0	+562

Source: Australian Bureau of Statistics, [Census of Population and Housing](#) 2011 and 2016. Compiled and presented by [.id](#), the population experts.

A1.5.1 LOW-INCOME HOUSEHOLD TYPES

The City of Warrnambool's household and family structure is one of the most important demographic indicators. It reveals the area's residential role and function, era of settlement and provides key insights into the level of demand for services and facilities as most are related to age and household types.

This topic breaks down household and family type specifically for those households on low incomes (relative to national averages). There may be correlations with specific household types. For example, an area with many pensioners on low incomes is likely to have a large number of couples without children and lone-person households.

It is important to note that household income is connected to household size - the potential for a lone-person household to have a high income is less than for a household containing five adults. This may skew the results a little to the smaller household types when comparing to the total population, but should not affect geographic comparisons.

Analysis of the household/family types of low-income households in the City of Warrnambool in 2016 compared to regional Victoria shows that there was a lower proportion of couple families with children as well as a higher proportion in one-parent families.

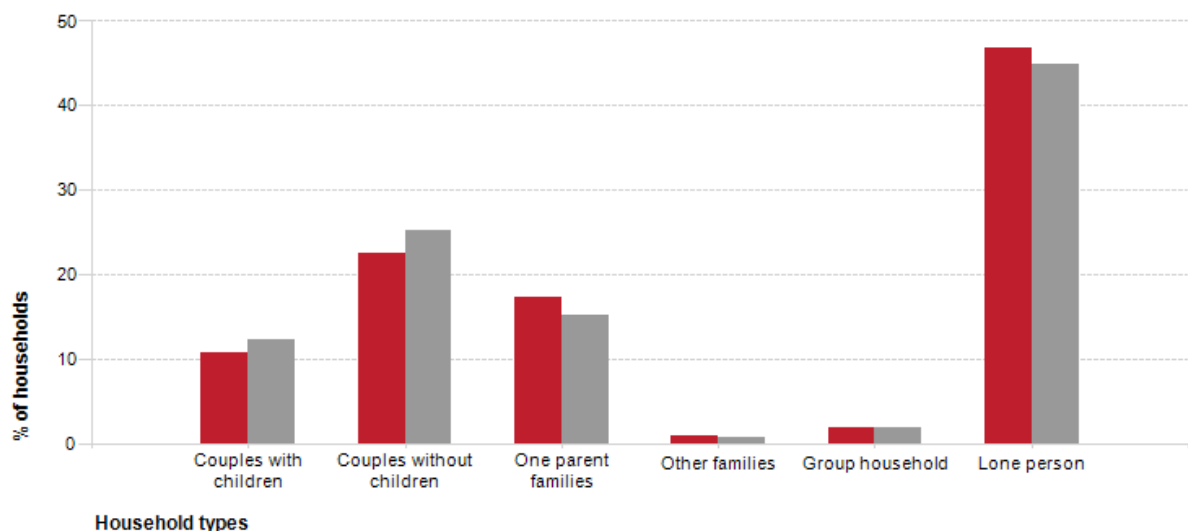
Overall, 10.8 per cent of low-income households were couple families with children and 17.2 per cent were one-parent families, compared with 12.2 per cent and 15.2 per cent respectively for regional Victoria.

There were a higher proportion of lone-person households and a lower proportion of couples without children with a low income. Overall, the proportion of low-income lone-person households was 46.7 per cent, compared to 44.9 per cent for regional Victoria, while the proportion of couples without children was 22.6 per cent compared to 25.1% for regional Victoria.

Household type, 2016

Low income households

■ Warrnambool City ■ Regional VIC



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
Compiled and presented by .id, the population experts.

.id the population experts

A1.5.2 CHANGE IN LOW-INCOME HOUSEHOLD TYPES

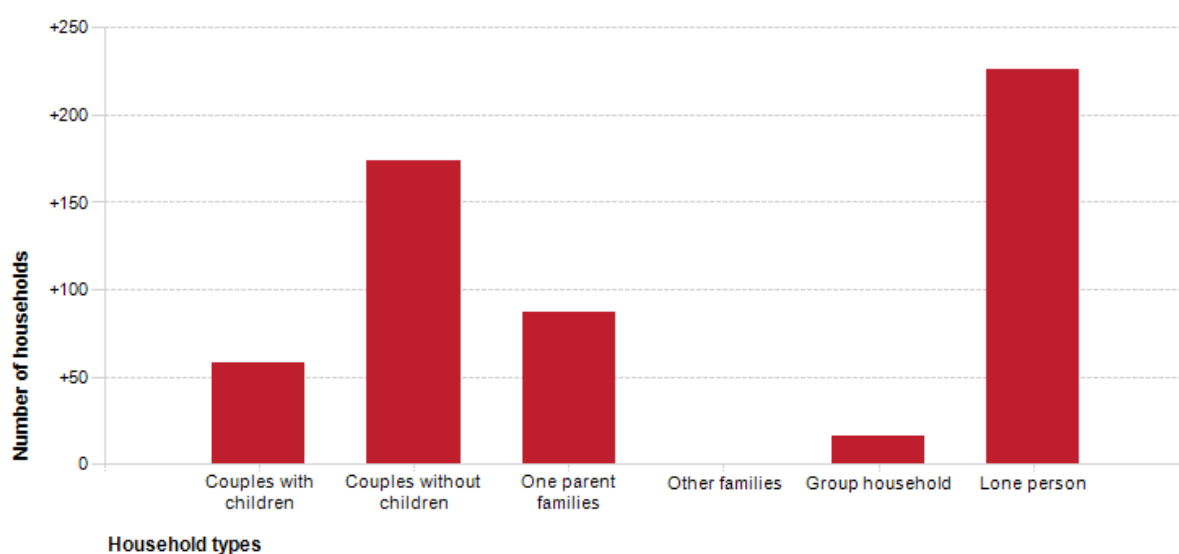
The number of low-income households in the City of Warrnambool increased by 561 between 2011 and 2016.

The largest changes in family/household types of low-income households in the City of Warrnambool between 2011 and 2016 were:

- lone person (+226 households)
- couples without children (+174 households)
- one-parent families (+87 households)
- couples with children (+58 households)

Change in household type, 2011 to 2016

Warrnambool City - Low income households



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data)
Compiled and presented by .id, the population experts.



A1.5.3 LOW-INCOME HOUSEHOLD TENURE

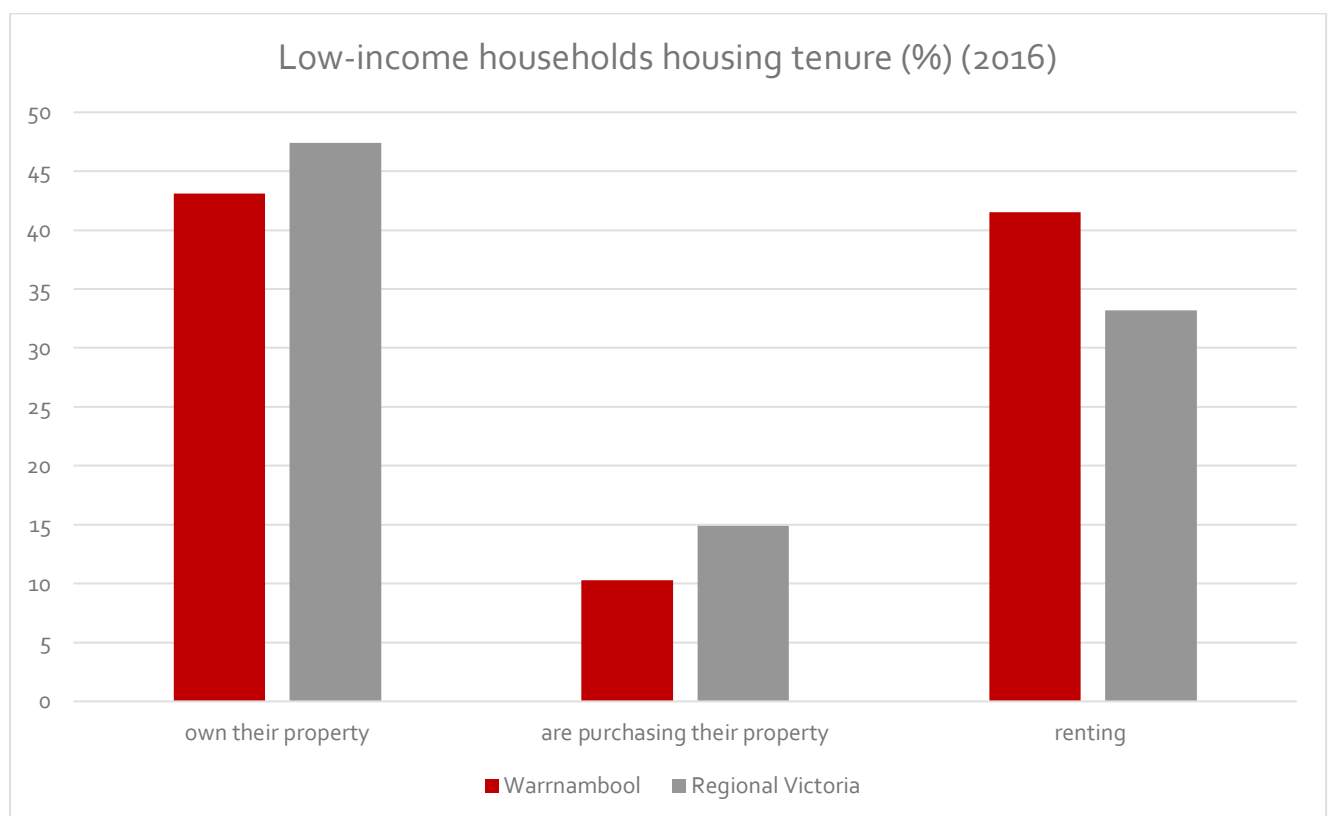
The City of Warrnambool's housing tenure data provides insights into socioeconomic status as well as the role tenure plays in the housing market.

This topic restricts the view of housing tenure to low-income households in Warrnambool. This can differentiate between housing markets, which may be unclear when looking at the overall picture. For instance, if there are a lot of renters in the private rental market among low-income earners, it may be due to housing being unaffordable for those on below-average incomes.

In many areas, social housing plays a role in accommodating low-income households. Housing tenure can answer questions such as whether the housing market is changing and squeezing out those on low-incomes.

Analysis of the housing tenure of low-income households in the City of Warrnambool in 2016 compared to regional Victoria shows that there was a smaller proportion of low-income households who owned their dwelling, a smaller proportion purchasing their dwelling, and a larger proportion who were renters.

Overall, 43.1 per cent of low-income households owned their dwelling, while 10.3 per cent were purchasing and 41.5 per cent were renting, compared with 47.4 per cent, 14.9 per cent and 33.2 per cent respectively for regional Victoria.



A1.5.4 CHANGE IN LOW-INCOME HOUSEHOLD HOUSING TENURE

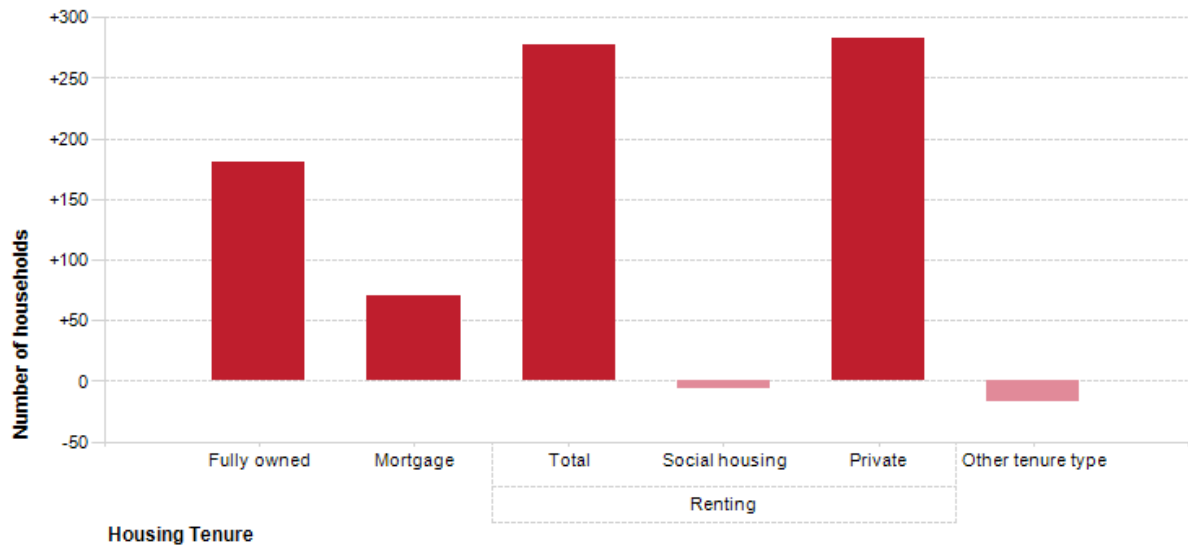
The total number of low-income households in the City of Warrnambool increased by 573 between 2011 and 2016.

The largest changes in housing tenure categories for low-income households in Warrnambool between 2011 and 2016 were:

- Renting - private (+283 households)
- Fully owned (+181 households)
- Mortgage (+70 households)

Change in housing tenure, 2011 to 2016

Warrnambool City - Low income households



Source: Australian Bureau of Statistics, Census of Population and Housing, 2011 and 2016 (Enumerated data)
Compiled and presented by .id, the population experts.



A1.5.5 LOW-INCOME HOUSEHOLD DWELLING TYPES

Dwelling type is an important determinant of the City of Warrnambool's residential role and function.

A greater concentration of higher density dwellings is likely to attract more young adults and smaller households, often renting.

Larger, detached or separate dwellings are more likely to attract families and prospective families.

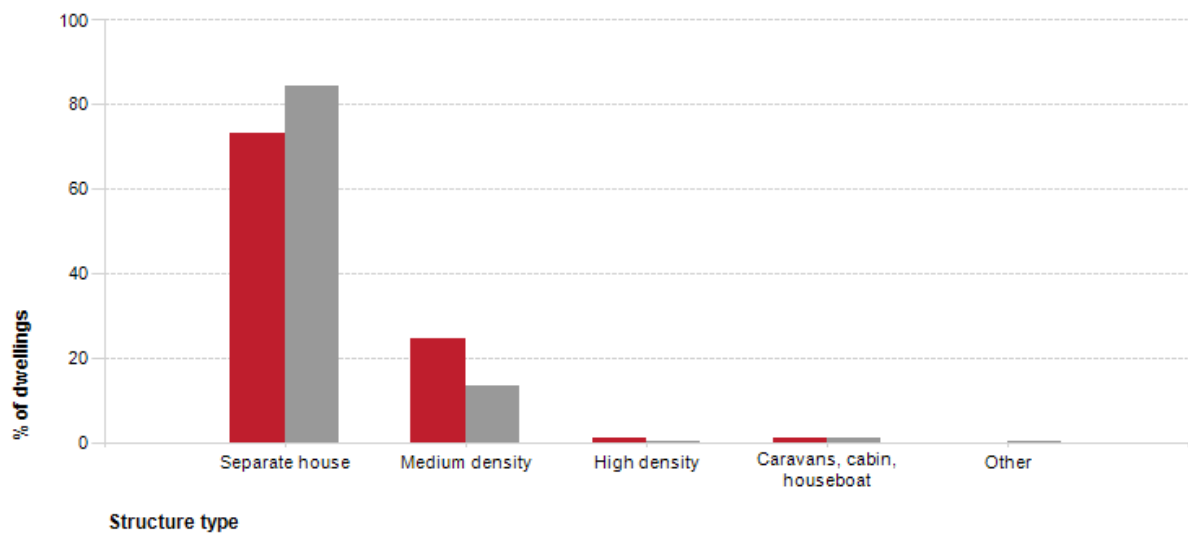
The residential build form often reflects market opportunities or planning policy, such as building denser forms of housing around public transport nodes or employment centres.

For low-income households, dwelling types may reflect the types of housing which are more affordable or are available as social housing. If low incomes are related to retirees, they may indicate the type of housing preferred by retirees, or those dwellings in which they have aged in place.

Dwelling structure, 2016

Low income households

■ Warrnambool City ■ Regional VIC



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
Compiled and presented by .id, the population experts.



A1.5.6 LOW-INCOME HOUSEHOLD DWELLING SIZE

The number of bedrooms in a dwelling is an indicator of the size of dwellings, and when combined with dwelling type information, provides insight into the role Warrnambool City Council plays in the housing market.

For low-income households, affordability may be an issue, and it may be that households can only afford to occupy (rent or buy) relatively small dwellings. However, this is also related to household size – low incomes are often associated with one or two-person households, particularly retirees and students, so the number of bedrooms data below should be viewed in conjunction with household type data to get an indication of whether particular housing sizes indicate the presence of overcrowding and housing affordability issues.

Analysis of the number of bedrooms in dwellings for low-income households in the City of Warrnambool in 2016 compared to regional Victoria shows that there was a higher proportion of households in dwellings with two bedrooms or less, and a lower proportion in dwellings with four or more bedrooms. Overall, 35.1 per cent of low-income households were in dwellings with two bedrooms or less and 13.1 per cent in four-or-more-bedroom dwellings, compared with 30.1 per cent and 16.5 per cent for regional Victoria respectively.

The major differences between the number of bedrooms per dwelling for low-income households in the City of Warrnambool and regional Victoria were:

- a larger percentage of households in two bedrooms (28.3 per cent compared to 23.3 per cent)
- a smaller percentage of households in four bedrooms (11.1 per cent compared to 14.2 per cent)
- a smaller percentage of households in three bedrooms (48.1 per cent compared to 50.6 per cent)

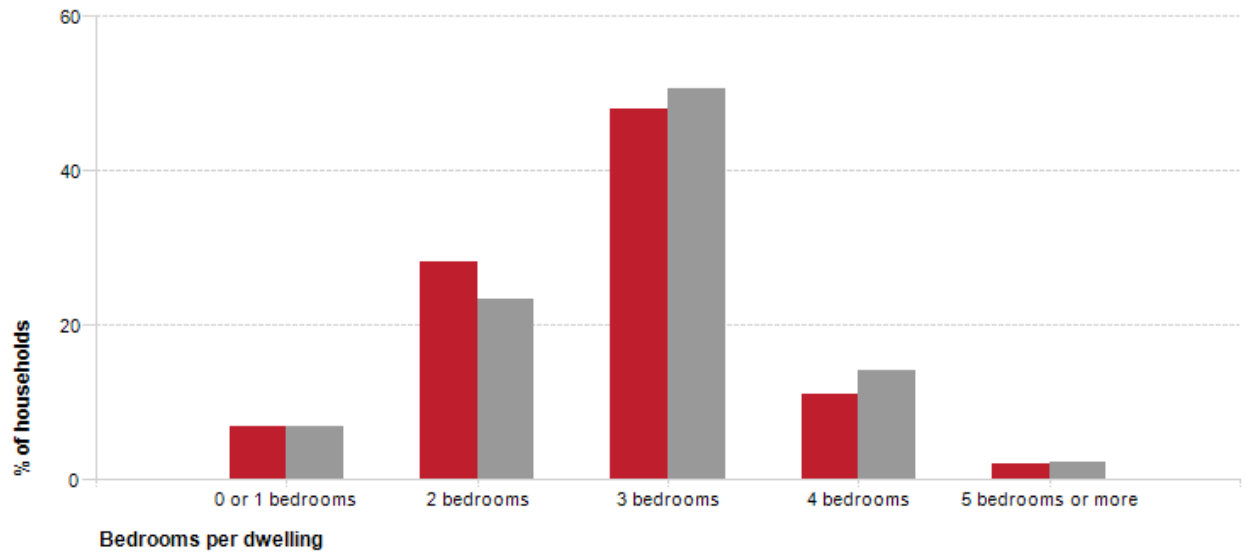
The largest changes in the number of bedrooms per dwelling for low-income households in the City of Warrnambool between 2011 and 2016 were:

- three bedrooms (+230 households)
- two bedrooms (+150 households)
- four bedrooms (+85 households)

Number of bedrooms per dwelling, 2016

Low income households

■ Warrnambool City ■ Regional VIC



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
Compiled and presented by .id, the population experts.

.id the population experts

A1.6 Housing stress

Rental stress is defined as per the National Centre for Social and Economic Modelling (NATSEM) model as households in the lowest 40 per cent of incomes, who are paying more than 30 per cent of their usual gross weekly income on rent.

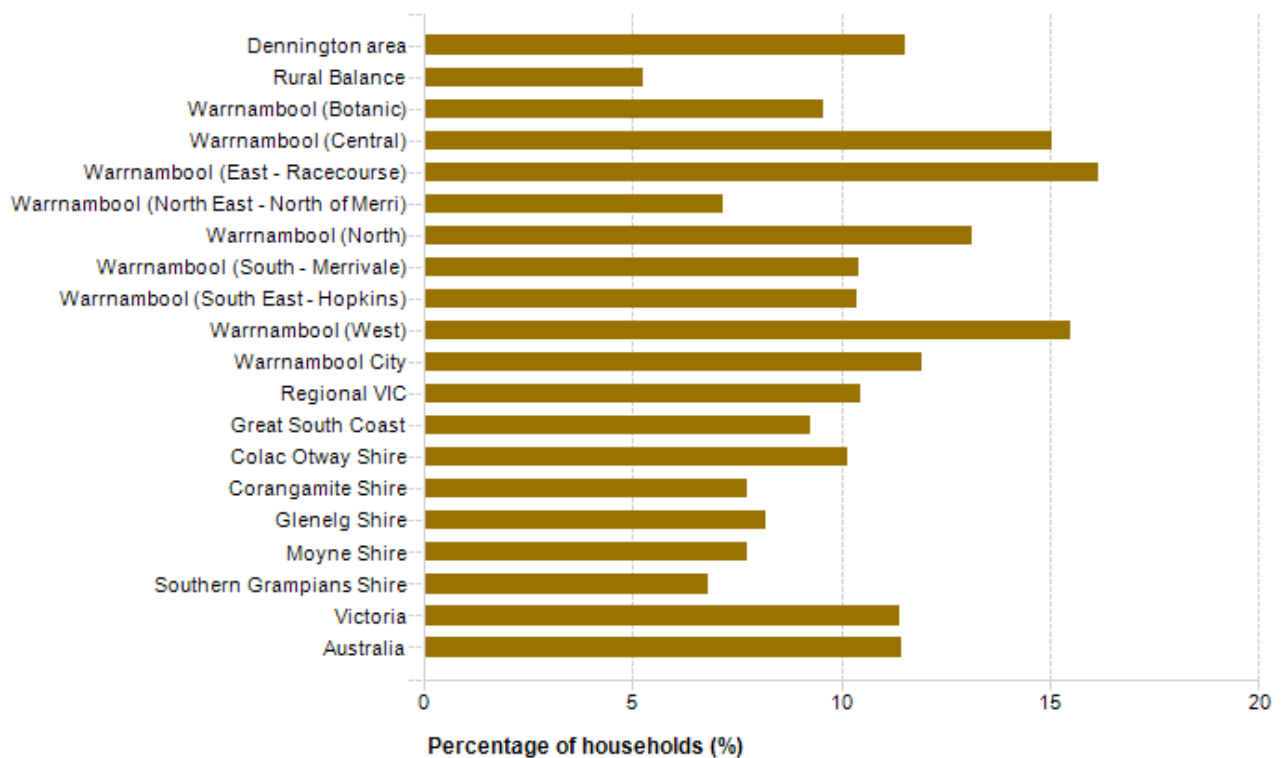
In 2016, 11.9 per cent of the City of Warrnambool's households were experiencing housing stress compared to 10.5 per cent in regional Victoria.

While the City of Warrnambool had a higher proportion of households experiencing housing stress, it is important to note that this varied across the municipality. Proportions ranged from a low of 5.2 per cent in rural balance to a high of 16.2 per cent in Warrnambool (East - Racecourse). The five areas with the highest percentages were:

- Warrnambool (East - Racecourse) (16.2%)
- Warrnambool (West) (15.5%)
- Warrnambool (Central) (15.0%)
- Warrnambool (North) (13.1%)
- Dennington area (11.5%)

Housing stress, 2016

Warrnambool City



Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
Compiled and presented in atlas.id by .id, the population experts.

.id
the population experts

A1.6.1 RENTAL STRESS

As at the 2016 census there were 1,247 low-income households experiencing rental stress in the City of Warrnambool. This represents 31.6 per cent of all rental households, higher than 30.3 per cent in regional Victoria.

In 2016, Warrnambool (North) had the highest proportion of people experiencing rental stress in the City of Warrnambool.

Housing affordability has become a significant social and economic problem in recent years and between 2006 and 2011 rents across Australia increased by close to 50 per cent.

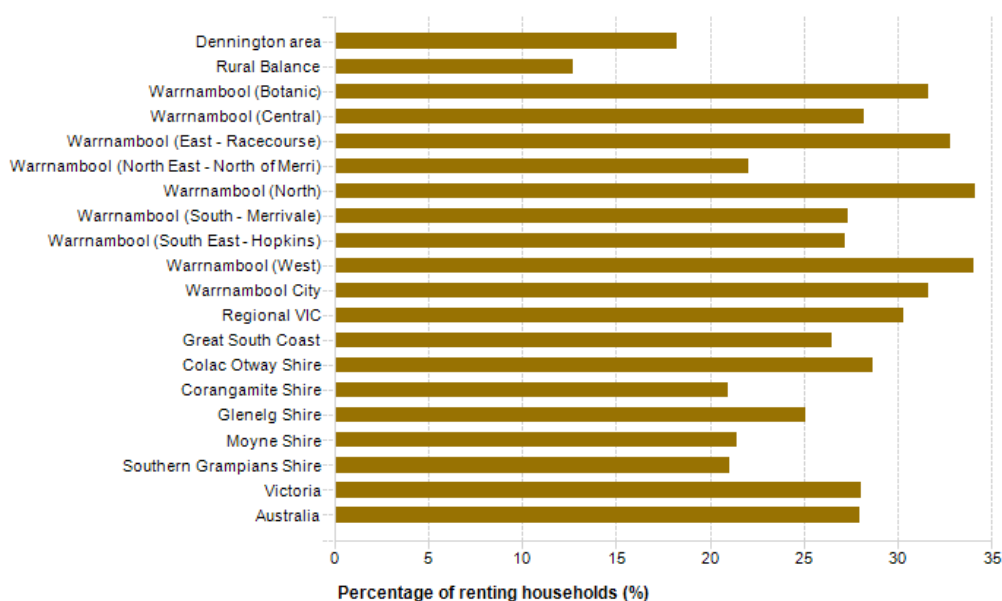
While stress can be very dependent on individual circumstances, using Census data to analyse this provides a good indication of the areas in the City of Warrnambool where households may be having problems meeting their housing commitments.

While Warrnambool had a higher proportion of households experiencing rental stress compared with regional Victoria, it is important to note that this varied across the municipality. Proportions ranged from a low of 12.7 per cent in rural balance to a high of 34.1 per cent in Warrnambool (North). The five areas with the highest percentages were:

- Warrnambool (North) (34.1%)
- Warrnambool (West) (34.1%)
- Warrnambool (East - Racecourse) (32.8%)
- Warrnambool (Botanic) (31.7%)
- Warrnambool (Central) (28.2%)

Rental stress, 2016

Warrnambool City



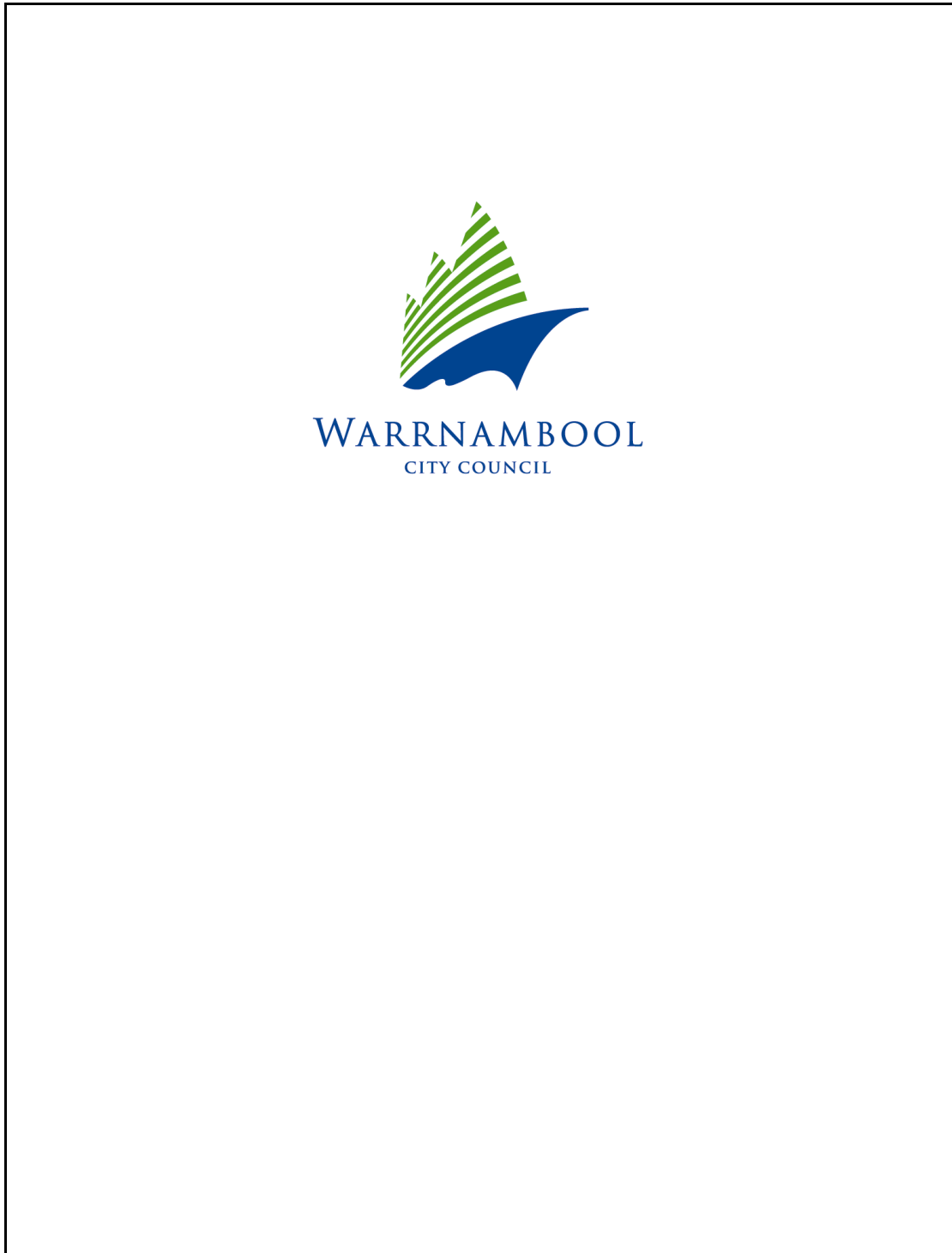
Source: Australian Bureau of Statistics, Census of Population and Housing, 2016 (Enumerated data)
Compiled and presented in atlas.id by .id, the population experts.



Appendix 2 Data provided by DHHS

This data may include some confidential information and has been provided as a separate document to ensure it is not accidentally released to the public.

Appendix 3 Warrnambool City Council Affordable Housing Policy



DOCUMENT CONTROL

Document Title:	<i>Affordable Policy</i>
Policy Type:	<i>Council</i>
Responsible Branch:	<i>Community Development</i>
Responsible Officer:	<i>Director, Community Development</i>
Document Status:	<i>Approved</i>
Approved By:	<i>Council</i>
Adopted Date:	<i>March 2012</i>
Review Date:	<i>March 2015</i>



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1. INTRODUCTION

1.1 Purpose and Scope

The estimated resident population of Warrnambool is currently 33,900 (June 2011). This is forecast to increase to more than 44,000 by 2030. This population growth is largely being driven by economic growth across the region which in turn has impacted negatively on housing affordability. In 2000 the median property price in Warrnambool was \$128,000. By 2010 this had risen almost 250% to \$322,000. This is mirrored in the residential rental market, with Warrnambool having amongst the highest prices across all regional cities in Victoria.

The 2009 – 2013 Council Plan outlines the strategic objectives of Council, these include:

- A leading regional city;
- An environmentally sustainable city;
- A liveable city; and
- A city of growth

Council recognises that these objectives have the potential to compete, an example being the need to keep housing affordable during periods of significant economic growth. Council committed in the 2009 – 2013 Council Plan to “facilitate the development of affordable housing policy in Warrnambool”. This policy fulfils that obligation.

The purpose of this Policy is to provide the community and Council staff with an understanding of the Warrnambool City Council objectives and approach to addressing housing affordability in Warrnambool.

1.2 Definitions

Affordable housing	Housing that is both affordable and appropriate for resident household. Housing is affordable when it does not demand so much of a household’s income as to leave them with insufficient money to meet other household needs.
Appropriate housing	Housing that: <ul style="list-style-type: none"> • Provides security of tenure • Is appropriate for that household in terms of size, quality, accessibility and location • Is integrated within a reasonably diverse local community • Minimises costs relating to maintenance, utilities and transport
Mortgage / rental stress	Experienced by low income households (80% median income) when more than 30% of gross household income is expended on rent or 35% on mortgage payments.

2. REFERENCES

2.1 Internal Council Documents

- WCC Council Plan
- WCC Health & Wellbeing Plan

- WCC Planning Scheme

2.2 External References

- Victorian Homelessness Action Plan

3. POLICY

3.1 Warrnambool City Council (Council) recognises that access to affordable housing is a basic human right and a determinant of community health and wellbeing. It acknowledges that the impacts of unaffordable housing are unevenly distributed across the community with lone parents, single people, young people, older people (>65 years) and children of lone parents experiencing the worst outcomes.

Affordable housing also has significant impacts on the liveability and economic prosperity of the community. A lack of affordable housing has a negative impact on workforce attraction and is a barrier to attracting tertiary students to the City.

Council will work hard with other stakeholders within the community to achieve the following objectives:

Objective 1: Promote community health and wellbeing

Advocate for a sufficient supply of social and public housing to prevent homelessness and social isolation and meet community needs.

Objective 2: Sustainable housing supply and design

Support best practice urban planning and design that results in a diverse, safe and sustainable housing supply that responds to the needs of local residents.

Objective 3: Maintain a liveable community

Ensure that residential housing strategy supports appropriate access to employment, education, cultural, recreational, health and social services.

Objective 4: Promoting economic development

Ensure that access to affordable housing is not a barrier to future economic development.

3.2 Council's role in working to achieve affordable housing for the community includes:

Advocacy

- Influencing State and Federal Government policy
- Advocating for additional government funds for social and public housing
- Highlighting changes in demographics and household types to ensure new housing stock responds to trends in household type and size.
- Encouraging investment in diverse and appropriate housing types by developers
- Supporting individuals experiencing problems with navigating government housing services

Partnership development

- Facilitating partnerships with government, developers and the community to develop new cooperative solutions and initiatives to meet local housing needs

Advice

- Raising awareness of government schemes and incentives and facilitating access where appropriate
- Providing advice to the public on best practice urban design and residential development, environmental sustainability etc..

Research

- Providing contemporary data on housing trends and issues in Warrnambool and across the nation
- Keep pace with potential new opportunities and initiatives

Urban planning

- Efficient and timely planning decisions
- Ensuring adequate land supply
- Planning controls
- Promoting diversity of housing type, block sizes and quality residential environments in all developments.

Community development

- Work with the community to develop innovative housing solutions

Service provision

- Currently as a provider of social housing
- Providing community services to people experiencing housing stress

Regulation

- Statutory planning and public health regulation – rooming houses

4. GOVERNANCE

4.1 Owner

The Director, Community Development is responsible for monitoring the currency and viability of this policy and updating it when required.

4.2 Review

The Director, Community Development will review the policy for any necessary amendments no later than three years after its formulation or after the last review.

4.3 Charter of Human Rights Compliance

It is considered that this policy does not impact negatively on any rights identified in the Charter of Human Rights Act (2007).

Appendix 4 Engagement report

Engagement Report

Social Housing Planning Project

WARRNAMBOOL CITY COUNCIL

Prepared by:

ACTIVATE CONSULTING and HORNSBY & CO

27 March 2020

PREVIOUS ENGAGEMENT IN RELATION TO AFFORDABLE HOUSING

Before designing and implementing an engagement plan, a review of the output of previous Council engagement was undertaken. A summary of the feedback that relates to Affordable Housing that was received through those engagement processes is provided below.

Affordable Housing policy

In developing Warrnambool City Council's Affordable Housing Policy, it was recognised that access to Affordable Housing is a basic human right and a determinant of community health and wellbeing.

The policy identified that the impacts of unaffordable Housing are unevenly distributed across the community with lone parents, single people, young people, older people (>65 years) and children of lone parents experiencing the worst outcomes.

Council is committed to working with other stakeholders within the community to achieve the following objectives:

- **Objective 1: Promote community health and wellbeing**

Advocate for a sufficient supply of social and public housing to prevent homelessness and social isolation and meet community needs.

- **Objective 2: Sustainable housing supply and design**

Support best practice urban planning and design that results in a diverse, safe and sustainable housing supply that responds to the needs of local residents.

- **Objective 3: Maintain a liveable community**

Ensure that residential housing strategy supports appropriate access to employment, education, cultural, recreational, health and social services.

- **Objective 4: Promoting economic development**

Ensure that access to Affordable Housing is not a barrier to future economic development.

Housing Diversity Strategy

The Background Paper prepared for the Housing Diversity Strategy suggests a mismatch between location and type of available housing stock and household size.

Warrnambool City- Wide Housing Strategy

The Warrnambool City-Wide Housing Strategy (2013) recommends the need to 'identify opportunities and mechanisms to provide additional Social Housing...' This recommendation is in addition to the recommendations made in the Warrnambool Housing Diversity Strategy.

A recent review of the City-Wide Housing Strategy reinforced a recommendation around Social Housing as a priority for action.

North Dennington Housing Affordability Program

Council has also recently wound up its North Dennington Housing Affordability Program. This program was an innovative housing scheme targeting low to moderate income earners to enter home ownership.

Over the period 2013-2018 the program assisted 51 individuals/families on low to moderate income, average age 31, average gross disposable income (\$55k). Council expended \$800,000 on this program and leveraged \$2.5 million from the Federal Government to construct enabling infrastructure in this residential growth area.

The project was awarded a National Economic Development Award – Community Partnership by the National Economic Development Association in 2015.

The Great South Coast Regional Growth Plan

The Great South Coast Regional Growth Plan (2014) identified Warrnambool as the Major Growth centre for the Great South Coast. The plan identified the need for Warrnambool to accommodate up to 60% of future population growth in the region. It was recognised that Social Housing needs will need to be considered across a wide catchment area.

The Plan identified housing affordability as critical to both population and workforce attraction, economic growth and maintaining high levels of liveability. Warrnambool, as Victoria's most liveable regional city (according to IPSOS Life in Victoria survey 2017) has excellent provision of health, education and community services, excellent recreational and leisure infrastructure, quality cultural and arts opportunities and unsurpassed access to the natural environment.

In order to sustain growth and support a strong regional centre role, the plan identified Warrnambool as in need of increased Social Housing provision to ensure it remains a socially cohesive, and prosperous city where everyone can thrive.

Warrnambool 2040 Community Plan

Community consultation (long survey analysis) undertaken to inform W2040 found that in relation to housing:

- 36% of over 60s who plan to move in the next one to five years are looking to downsize
- Only 52.2% of Warrnambool residents rated the availability and accessibility of Affordable Housing as 'good' or 'excellent'. The rate was even lower (39.2%) for those living in the broader region
- Housing affordability is the most important factor influencing where Warrnambool residents live, across all age groups
- Backyard and house size were the biggest difference between housing preference of younger and older age groups
- Residents rating of 'walkable facilities' varies by location. Thirteen percent more residents in Central Warrnambool rated 'walkable facilities' as good to excellent than those living in outer growth precincts
- Different age groups are looking for different things in housing

ENGAGEMENT APPROACH SOCIAL HOUSING PLANNING PROJECT

Background

Warrnambool City Council engaged the services of Hornsby & Co to help prepare Council to better facilitate the delivery of positive social housing outcomes that meet community needs.

The project involved two key stages:

- Stage 1: establishing the demand/supply evidence base of social housing needs in Warrnambool over the short to medium term and description of the current market (including current parties, relationships and their capacity to grow).
- Stage 2: strategic planning (land use) considerations to grow social housing stock in Warrnambool, and market appraisal of how additional Social Housing investment might be facilitated in the City of Warrnambool.

A significant component of the work involved targeted consultation and research with key stakeholders (other government agencies, developers, key stakeholders and local community organisations) and Council (Council and internal departments).

This engagement report outlines the approach and findings of the engagement, and provides an evaluation.

Engagement purpose and objectives

The **purpose** of the engagement was to seek input from key stakeholders to inform the project objectives.

The engagement **objectives** were to:

- Ensure all identified stakeholders had the opportunity to provide input
- Gain the involvement of key stakeholders in the project
- Gather sufficient data and local intelligence to inform the project deliverables
- Build relationships with key stakeholders and gain their buy-in and support for final recommendations

Engagement approach and methods

Overall a targeted and personalised engagement approach was undertaken, acknowledging that:

- The complex and strategic nature of this project and the data to be collected lends itself to discussion and dialogue
- Many of the key stakeholders are time-poor, operating with tight resourcing and operating in a competitive environment (thus 'going to them' will engender greater participation)
- The geographical scale of the catchment area and key stakeholder locations means requests that require additional travel/meetings may limit participation
- Many other municipalities were also doing similar work and competing for stakeholder time.

The engagement consisted of the following activities undertaken between 14 August 2019 and 13 January 2020:

- Meetings (face-to-face/ via telephone) x 18
- Presentations/attendance at existing group meetings x 3
- Workshops x 2
- Direct email/phone contact
- Consultant working from Council offices (when in Warrnambool)

PARTICIPANTS

The table below outlines the breadth and number of participants engaged over more than 30 hours of consultation.

Stakeholder group	Engagement method	Number of activities	Participants	Total hours
Landowners/developers	Meetings	2	2	2
Service providers/NFP	Meetings	9	11	11
	Meeting with existing group	1	8	2
	Workshop	1	15	3
Government agencies/other	Meetings	4	6	4
	Workshop	1	12	3
Internal to Council	Meeting with existing group	2	9	4
	Meetings	3	4	3
		23 activities	67 participants	32 hours

Stakeholders engaged

Almost all pre-identified stakeholders were successfully consulted:

Stakeholder	Role/ reason for engaging	Engaged?
Councillors	Decision makers and community representatives, want to be actively part of project	Yes (through regular staff / councillor discussion, and quarterly updates in the Corporate Reporting system)
Project control group	Decision markers, oversee process and project	Yes
Health & Wellbeing Advisory Committee	Provide advice to Council on the development, review and implementation of the Warrnambool City Health and Wellbeing Plan and associated Action Plans. Made up of community, Councillors and staff	No (the group did not meet during engagement period)
Key Council departments	Planning, Community development, Economic Development, and Capacity Access and Inclusion, Property, Recreation planning, Parks	Yes
DHHS – local office and Melbourne office	Set policy direction, funding partner (SHIP)	Yes
VPA	Currently working with Warrnambool City on housing diversity on future residential land supply	Yes
DELWP	Set policy direction, planning scheme	Yes
Moyné Shire	Surrounds City of Warrnambool, within planning catchment area	Yes
Other surrounding councils	Glenelg, Southern Grampians, and Corangamite Shires, within catchment area	Yes
Key local builders/ developers	Directly involved in the development of housing in the local area	Yes

Stakeholder	Role/ reason for engaging	Engaged?
Key local landowners	Potential sites for rezoning	Yes
Real Estate Agents	Specific knowledge about local housing supply	Noted their comments in the local paper
Community housing agencies, social housing providers	Aboriginal Housing Victoria, Active Community Housing, BAYSA Ltd, Centacare Housing Services Ltd Directly involved in provision of social housing	Yes
Barwon South West Homelessness Network	Local network involving: DHHS, Salvation Army, Emma House, Brophy Family and Youth Services, churches Works with funded agencies around coordination of homelessness support and structural advocacy	Yes (now SWHAG)
Gunditjmara Aboriginal Cooperative	An independent community based not-for-profit Aboriginal Community Controlled Organisation. Primary provider of social, health and cultural services in the region	No (but were contacted)
Eastern Maar Aboriginal Corporation	The professional organisation that represents the Eastern Maar People of South West Victoria and manages their Native Title rights and Interests.	Yes
Deakin University/ South West TAFE	Specific knowledge about student housing needs and supply	Yes

Forum participation

Two special workshops were held as part of the engagement activities, as detailed below.

- Housing and service providers workshop (28 November, 2019)

This workshop drew together 11 housing and service providers to draw out their key challenges/observations over the previous 12 months, and brainstorm potential solutions and opportunities.

The workshop was attended by representatives from:

- Brophy Family and Youth Services
- Bethany Community Support
- Emma House Domestic Violence Service
- Statewide Children's Resource Program
- South West Local Area Services Network (SWLASN)
- SalvoConnect Warrnambool
- Heaven; Home, Safe
- Department of Health and Human Services
- Warrnambool City Council
- Aboriginal Housing Victoria
- Uniting Church Heatherlie Homes

- Inter-Council workshop and development session (7 October 2019)

Given the catchment area for this social housing planning project extends beyond the Warrnambool City Council area, this session sought to develop relationships with senior planning staff from surrounding municipalities. The session was an opportunity to build skills and gather regional input into the project.

The workshop was attended by representatives from:

- Warrnambool City Council
- Moyne Shire Council
- Glenelg Shire Council
- Corangamite Shire Council
- Southern Grampians Shire Council

KEY THEMES AND INSIGHTS

This section presents a summary of the key insights drawn from notes taken at each consultation activity. A copy of the notes is available on request.

The City of Warrnambool faces some specific challenges which are putting pressure of housing and/or making it more difficult to increase the supply of social housing:

- An influx of workers for major projects (wind farms, roads)
- A seasonal population influx – the “AirBnB effect” where landlords opt for summer holiday lets rather than long term rentals
- The “end of the line” effect – people are catching the train as far as they can, disembarking in Warrnambool, and end up sleeping rough
- Warrnambool acts as a service centre for the surrounding area and people will move off rural properties into Warrnambool if rural living no longer meets their needs due to old age, or if they require access to education and employment.

The effect of all of these is a tightening of the private rental market. This has the flow on effect of creating a bottle neck so that people are no longer able to move out of transitional housing and into the private market. The result is that fewer people are able to access transitional housing, and they end up in overcrowded or unsafe situations.

Another unique challenge that Warrnambool faces is that, other than DHHS, none of the social housing providers have an office within the municipality. This presents challenges for people who want to access their services but it also likely to affect the potential to attract grant funding to the area. There is a huge demand for social housing in all locations and staff and Board members may be more likely to focus new development opportunities in areas where they are located. Being located out of the area also makes it more difficult to build connections with local service providers.

There are significant challenges to increasing the amount of social housing in the City of Warrnambool but there are also opportunities. The key opportunities are:

- Use of Council or government land to develop new social housing
- Reconfiguration or redevelopment of existing social housing sites to deliver additional social housing
- Potential divestment by Council of its housing assets to a community housing organisation providing for more effective tenancy and property management
- Incentives to one or more community housing organisation to locate their offices to Warrnambool, increasing the presence and focus of housing services in Warrnambool
- Partnership projects with the companies who are constructing wind farms to deliver housing they need now, and then can be used for social housing in the future
- Increasing private market housing supply through the strategic planning work being undertaken by Council and the VPA
- Securing social housing through the planning system through voluntary negotiations

ENGAGEMENT EVALUATION

Evaluation against established criteria

The table below provides an assessment against the nominated evaluation criteria identified in the Engagement and Project Plan.

Criteria	Comments	Rating
Breadth of stakeholders that have provided input into the project	<p>A total of 67 people from more than 10 organisations were reached through the engagement period, equating to over 30 hours of consultation.</p> <p>The consultation reached the following stakeholder groups: landowners/developers, service providers/NFP, Government agencies and other local government, and internal Council stakeholders.</p>	Achieved
Whether the involvement of critical key stakeholders has been achieved	All pre-identified stakeholders were invited and had the opportunity to participate in the engagement. All, but two were successfully involved.	Achieved
Evidence of new, strengthened relationships with key stakeholders involved in the facilitation of social housing	The workshop between housing and service providers was well received and there was good sharing of information and exchange of contacts. For that relationship to be strengthened, a regular bringing together of stakeholders may be required.	Achieved in part

Consultant feedback

Reflections on the overall project:

- **Positives/surprises:** People were keen to connect with professionals from outside their own service or housing sector.
- **Frustrations/concerns:** The workload and resourcing of housing and service providers means there is little scope for them to add a regular forum / engagement to their schedule. It is also not clear who would lead that process.

Reflections on the consultation process:

- **Worked:** Contacting people directly and providing them an opportunity to participate in different ways (telephone, in-person, at a forum) provided a good insight into their key concerns and ideas.
- **Didn't work:** It was difficult to engage with some of the smaller housing and service providers. The timeframes also meant it was difficult to engage in a culturally appropriate way with the Aboriginal service providers.

Lessons:

- **Could do different next time:** Having a more intense period of consultation, rather than stretched over a length of time, may provide more targeted responses and momentum for individuals to pick up the strengthening between stakeholders rather than them waiting for an external facilitator of a forum.

Appendix 5 Analysis of Government and Council-owned land that may be suitable for social housing

This data may include some confidential information and has been provided as a separate document to ensure it is not accidentally released to the public.