

Social and Affordable Housing - Policy and Strategy 2012-2016

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This Strategy has been written by:

- Beverley Kliger
- Sean McNelis
- Liss Ralston
- Frances Essaber
- with expert advice from Professor Terry Burke



Level 1
84 Johnston Street
Fitzroy Vic 3065
fax 03 9419 3073
mobile 0412 023 723
email bekliger@mira.net

For more information please contact:

Belgin Besim
Executive Officer Policy and Strategy
Community Services, City of Whittlesea
(03) 9217 2128

Joanne Kyrkilis
Social Policy and Projects Officer
Community Services, City of Whittlesea
(03) 9217 2319

Council Offices
25 Ferres Boulevard
South Morang VIC 3752
Locked Bag 1
Bundoora MDC VIC 3083

Tel 03 9217 2170
Fax 03 9217 2111
TTY 133 677 (ask for 9217 2170)
Email info@whittlesea.vic.gov.au
www.whittlesea.vic.gov.au

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1. Executive Summary

The lack of affordable housing is a national problem. The City of Whittlesea is not alone in having to confront the lack of affordable housing. Australia is one of the few countries in the developed world that has a major problem providing affordable housing with housing prices having risen steadily over the past four decades and most steeply in the past decade. Moreover, the National Housing Supply Council estimates the gap between the demand for and the supply of housing in Australia is expected to increase from 178,400 at June 2009 to 308,000 at 2014 and 640,600 by 2029.

A taxation system that favours home owners, planning systems that could provide greater assistance in the development of affordable housing coupled with locating lower cost housing in areas distant from social and physical infrastructure, particularly public transport, contribute to the affordable housing problem.

Exacerbating the shortage of affordable housing has been the fact that over the last two decades higher income households have been renting the low cost private rental stock.

As the focus of this report is on social and affordable housing, the analysis of affordability is based on households with 'low and moderate income' i.e. households whose incomes are in the lower 60% of households.

The measurement of affordability is quite complex, for this reason, the analysis uses three measures to assess housing affordability, both rental and purchase.

1. The ratio measure comparing a median housing price to average annual household income for a specified geographical area.
2. The 30% affordable housing measure which compares the costs of housing to household income and proposes that payment of more than 30 percent of income for housing costs results in housing stress.
3. The residual measure in which different household's income available for housing is the amount remaining after the cost of living expenses is deducted from a household's income.

The analysis of the housing market points to the following key issues in relation to social and affordable housing in the City of Whittlesea:

Population growth and a declining household size: Whittlesea has a substantial demand for housing associated with being the local government area with the predicted fastest population growth in metropolitan Melbourne and Victoria. The growth is predicted across all age groups with particular emphasis on people between 25 and 44 years of age, the family formation and growth years, and older people. This population growth is occurring at the same time as the decline in the size of the average household.

Increasing disadvantage and a lack of social housing stock: The municipality displayed increasing disadvantage in 2006 in comparison to other local governments in metropolitan Melbourne. More recent data on taxable income for the year 2008 - 2009 reveals that incomes were 19% less than the average for metropolitan Melbourne. Additionally between 2008 and 2010, Whittlesea had a higher increase in the number of older people, young people, students, unemployed and low income families in receipt of Centrelink incomes with dependent children, in metropolitan Melbourne and the neighbouring municipalities of Darebin and Hume. However, there is a low level of rental stock, in 2006 only 18 % of housing stock was rental stock and only 1.5% public housing. There is very little social housing stock for people with a disability (only 25 dwellings for people with a mental illness or an intellectual disability) and no transitional housing services located in the municipality. There is an extremely low level of emergency and crisis housing stock (six crisis dwellings, two dwelling for people breaking away from family violence and two dwellings for young people).

Mismatch between dwelling stock and household size: There appears to be a mismatch between the primary form of dwelling stock and household size, as in 2006 90% of the stock was 3 or more bedrooms. Yet at that time the average household size was three and 42% of the households had fewer than 3 people. In the year 2009 to 2010, just under half of construction of dwellings was of stock with less than 3 bedrooms, in the established areas.

Increasing cost of private rental but low growth of stock: Whittlesea has experienced the lowest growth in rental stock compared with other outer urban growth municipalities in the North and West. There is limited rental stock of less than 3 bedrooms. Rent costs have increased by 39% in real terms in the ten years to 2010. Using both the 30% of income and the residual income rental affordability measure reveals very limited affordable rental housing for people on very low incomes (i.e. those in receipt of Centrelink payments). The residual income affordability measures reveal that singles and sole parents with one child on low incomes can afford rent. However, couples and couples with two or more children require a moderate income to afford rent and not face financial crisis.

Increasing house purchase cost: Whittlesea has experienced an increase in house prices across the municipality in the years 2001 to 2010, but the increases are less than in Darebin. Using both the 30% of income and the residual income house purchase affordability measure reveals very low income groups cannot purchase housing in the area and there is limited stock available at affordable prices for low income households. Even moderate income earners have limited house purchase affordability options in Whittlesea. The residual income affordability measure reveals that it is the smaller households on moderate incomes with few dependent children that can afford to purchase housing. However, even when we factor in higher deposit for second time home purchase households, moderate income couples and couples with two or more children cannot afford to purchase housing in Whittlesea without facing financial stress.

To address these issues it is proposed that the City of Whittlesea adopt a Social and Affordable Housing Policy and Strategy 2012-2016 with the following definition, goal, objectives and strategic actions.

Affordable Housing is housing that is appropriate for the needs of a range of low and moderate-income households, and priced so that households are able to meet other essential basic living costs

Policy Goal: To encourage and facilitate the growth of affordable, accessible and appropriate housing for very low, low and moderate income households across the municipality.

Objective 1

That for households who are homeless or in crisis that timely access to housing information and referral, housing support, short-term accommodation and long-term housing be available

Objective 2

That for households in receipt of low and very low incomes, particularly those receiving Centrelink payments, reasonable access to a range of social housing options be available

Objective 3

That for households in receipt of moderate and low incomes, reasonable access to a range of affordable private rental housing options be provided

Objective 4

That for households in receipt of moderate incomes, a range of affordable dwellings types is available for purchase

Strategic Actions

Strategic Action 1: Plan for social and affordable housing

- 1.1 Council use the Land Use Planning Objectives of the Municipal Strategic Statement to promote and facilitate the provision of social and affordable housing
- 1.2 Council collaborate with other local governments to advocate for Planning Scheme amendments to enable setting social and affordable housing targets
- 1.3 Council develop an affordable housing data set

Strategic Action 2: Increase the supply of social housing

- 2.1 Council set a long-term target for the provision of social housing in the municipality of 3% of all dwellings by 2026.
- 2.2 Council identify potential social housing development opportunities
- 2.3 Council support social housing providers

- 2.4 Council promote the creation of community, private and public sector partnerships for social housing

Strategic Action 3: Increase affordable private rental housing for low income households

- 3.1 Council benchmark the provision of rental housing for low income households and monitor progress
- 3.2 Council develop a range of incentives to encourage affordable rental housing development
- 3.3 Council promote the development of and access to affordable rental housing for low income households

Strategic Action 4: Increase the access to affordable house purchase for moderate income households

- 4.1 Council set and monitor a benchmark for the provision of an affordable house price for moderate income households
- 4.2 Council seek to achieve house purchase affordability in the private market

Strategic Action 5: Developing housing that matches the needs of the diverse population

- 5.1 Council encourage the development of housing that is adaptable for people at different life stages and abilities
- 5.2 Council encourage the development of housing for the diverse households in the municipality
- 5.3 Council promote the development of housing suitable for people with a disability

Strategic Action 6: Address the needs of people faced with a housing crisis

- 6.1 Council seek to increase the emergency and crisis housing and support in Whittlesea

Implementation of the Strategy

To enable Council to implement the strategic actions requires Council to consider the allocation of resources and the appointment of a social planner to work across Council and collaborate with relevant departments (with specific responsibility for social and affordable housing).

2. Introduction

Providing diverse housing options contributes to housing affordability by delivering housing at varying prices for purchasers and renters. The costs of individual homes can be reduced through smaller lot sizes (reducing the land costs) and smaller dwellings. The location and

design of housing also contribute to affordability across all tenures. Rising fuel costs mean that even lower priced housing may not be affordable in the long-term for many households if housing is not accessible to public transport, jobs and services.

Affordable housing is targeted to low income and moderate income earners, as access to affordable housing contributes to local prosperity by ensuring accommodation for key workers. Key workers being professional and service workers, such as teachers, health workers (nurses) and service workers required in order for a community to function effectively.

Housing affordability is the result of the interplay of a number of factors, including:

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

One of the roles of local government is to encourage high quality affordable housing developments targeted to households at different life stages and income levels, including a mix of lower to moderate income groups. However, local government in Victoria has limited capacity to intervene in the housing market to ensure the provision of affordable housing.

An integrated Social and Affordable Housing Policy & Strategy

A range of factors need to be taken into consideration in the development of an Affordable Housing Policy and Strategy. For local government policy or strategy to be effective, it must be compatible with local government's corporate, community and land use policies and strategies as well as a range of health and social policies and plans and the relevant State and Commonwealth government policies. Below are the factors that have been taken into account in developing an integrated local government Social and Affordable Housing Policy & Strategy.

An integrated Local Government Affordable Housing Strategy



Whittlesea Council has developed a range of policies that relate to and focus on the development of affordable and varied housing required to meet the needs of diverse households. The key Council polices are: Shaping Our Future: Whittlesea 2025-Strategic Community Plan; Health and Wellbeing Plan 2009-2013; the Whittlesea Planning Scheme, the Housing Diversity Project, and the Growth Area Local Structure Plans. These policies have the appropriate aims and objectives in relation to the promotion of social and affordable housing and the major challenge is encouraging the housing industry to build a range of housing in relation to price and size to meet the needs of the diverse community.

It is acknowledged that the primary responsibility for the provision of and funding for social and affordable housing lies with Commonwealth and State governments. However, local governments have an important, although limited role to play in promoting and encouraging the development of social and affordable housing.

The Local Government Act 1989 (Section 3) provides a legal framework for Council involvement and responsibilities. Council has a statutory responsibility in housing-related matters such as land use and physical infrastructure planning and development, building controls, public health, traffic management and open space planning. In this way, local government can and does influence the location and type of new dwellings, and the provision of social and physical infrastructure for new and existing communities, as well as the cost of housing through its planning policies.

Local government must juggle a number of sometimes competing interests and relationships which impact on housing. Nevertheless it is recognized that local government can undertake a number of roles and responsibilities in relation to encouraging the development of social and affordable housing in the municipality. The roles that Council could adopt include:

1. **Social and Economic Planning:** including reviewing, analysing and assessing characteristics of the population and environment to determine the demand for housing and associated services to ensure affordable housing and affordable living
2. **Land Use Planning:** includes defining affordable and social housing and specifying strategies in the Planning Scheme, Municipal Strategic Statement (MSS) and structure plans for new developments, to encourage and promote the development of affordable housing and designate preferred areas for the location of affordable housing.
3. **Facilitate and Partner:** includes assessing availability and suitability of Council and/or government owned land for affordable housing and the provision of incentives to stimulate and/or support affordable and social housing development.
4. **Inform and Engage:** includes the education and promotion of good practice to residents, businesses and community organisations. It also includes referral and reporting of issues that affect the housing market such as population and housing market analysis to business, residents and community organisations and other tiers of government. It can encompass promoting partnerships between social housing and private sector housing developers.
5. **Advocate:** includes consultation, coordination and promotion of social and affordable housing needs and options for delivery to government, business and community, forums and reviews.



The Challenges

This section presents the social and affordable housing issues that need to be addressed in the Strategy.

One of the major obstacles to the provision of social and affordable housing in parts of the municipality is the failure of the Victorian government to provide a rail link to Urban Growth areas. It is therefore important for social and affordable housing in the municipality, that Council continue to advocate to the Victorian government that it meet its obligations for the extension of the rail network to Epping North and to Whittlesea. Essential infrastructure for Urban Growth areas is necessary for the provision of affordable housing (as required under the State Planning Policy Framework).

A second major issue concerns the mismatch between household size and dwelling size within the municipality. This is an issue which is being addressed by the housing diversity strategy. It cannot be assumed that the development of smaller units on smaller lots or many units on one lot will result in lower housing costs. One favoured strategy to address this mismatch is to promote the development of smaller dwellings in new medium-density developments around designated activity centres. However, this will produce little affordable housing as this housing is likely to be more expensive than large houses in the Urban Growth Area – land costs around the designated activity centres are higher as are the construction costs of apartments, flats or units in multi-storey buildings.

The following shortcomings require strategic actions in the Social and Affordable Housing Policy & Strategy:

1. Lack of planning for social and affordable housing
2. Under-supply of social housing
3. Lack of private rental housing for low income households
4. The limited availability of dwellings for purchase by moderate income households
5. Lack of housing options for a range of specific groups in Whittlesea
6. Lack of homelessness services.

3. Social and Affordable Housing Policy

Within the context of its Social and Affordable Housing Policy Whittlesea Council affirms that:

- Housing is a basic human need that contributes to individual and community safety and wellbeing
- Every person, regardless of their age, culture, gender, race, religion or sexual preference, has a right to affordable and appropriate housing to enable their participation in community life

- Affordable housing should be in locations accessible to appropriate services and facilities for a range of households
- Whittlesea Council in collaboration with the State government, the Commonwealth government, other local governments, the community sector and the private sector can develop strategies to expand affordable housing choices
- Whittlesea Council can assist in the development and maintenance of community diversity and sustainability with a Social and Affordable Housing Policy & Strategy that encourages both a social and housing mix throughout the municipality.

Affordable housing is housing that is appropriate for the needs of a range of low and moderate income households; and priced so that households are able to meet other essential basic living costs.

Social Housing encompasses subsidised housing, usually rental, for designated households. In Australia social housing includes:

- Public housing: housing owned and operated by public agencies
- Community housing: housing managed (and sometime owned) by a notfor-profit community based organisation
- Indigenous community housing: housing owned and (usually) managed by Indigenous community organisations

4. Social and Affordable Housing Policy Goal and Objectives

Goal

To encourage and facilitate the growth of affordable, accessible and appropriate housing for very low, low and moderate income households across the municipality.

Objectives

Objective 1

That for households who are homeless or in crisis that timely access to housing information and referral, housing support, short-term accommodation and long-term housing be available

Objective 2

That for households in receipt of low and very low incomes, particularly those receiving Centrelink payments, reasonable access to a range of social housing options be available

Objective 3

That for households in receipt of moderate and low incomes, reasonable access to a range of affordable private rental housing options be provided

Objective 4

That for households in receipt of moderate incomes, a range of affordable dwellings types is available for purchase

5. Strategic Actions

Strategic Action 1: Plan for social and affordable housing

The Issue: The State Planning Policy Framework requires that the planning for housing should include providing land for affordable housing, however, it does not provide any definition of social housing or affordable housing, nor does it provide any strong levers for Council to address the development of affordable housing within the municipality. South Australia has introduced into the Planning Framework and Policy, a target of 15% affordable housing, including 5% high needs housing within new developments. This policy is focused on government land, declared major developments and significant rezoning or change in use to residential from non-residential uses. It also includes provision for incentives within local development plans.

Council needs to develop an ongoing analysis of affordability in the housing market. Council should consider joining the Housing in Victoria website which presents housing and demographic data for housing affordability indicators; data on house sales and prices; housing and tenure information; and demographic information. Map data includes: sales by price segment; affordability and available stock; threshold income; ratio of housing costs to household income; private rental affordability for low income households; and SEIFA (Socio-Economic Indexes for Areas). <http://www.housinginvictoria.com.au/>.

Strategic Action	Council's Role	Activity
1.1 Council use the Land Use Planning Objectives of the Municipal Strategic Statement to promote and facilitate the provision of social and affordable housing	Land Use Planning	<p>That Council's objectives for social and affordable housing in the Municipal Strategic Statement or any Local Planning Policy for housing include:</p> <ul style="list-style-type: none"> • Definitions of social and affordable housing · Council set benchmarks for social and affordable housing within the municipality • Desired proportions of affordable and social housing in residential developments of 10 or more units • Incentives for residential developments which include affordable and social housing such as density bonuses (provided the increased density does not compromise local amenity) and fast track planning. • That Council, in the structure plan of any Established and new Greenfield housing development, advocate to the State Government to designate the appropriate and desired proportion of affordable and social housing of 10% for affordable housing and 5% for social housing.
1.2 Council Collaborate with other local governments to advocate for Planning Scheme Amendments to enables setting social and affordable housing targets	Advocacy	<p>That Council participate in and develop alliances of forums such as the Interface Councils Alliance, the Northern Region Alliance, Municipal Association of Victoria and the Victorian Local Governance Association's Diversity and Affordable Housing Advisory Group and Housing and Local Government Network (HALGN) to advocate for changes to the State Planning Policy Framework that will allow Councils to designate social and affordable housing targets (such as inclusionary zoning).</p>
1.3 Council develop an affordable housing data set	Social and Economic Planning	<p>Council consider joining Housing in Victoria: an interactive website providing data on housing and housing affordability indicators</p>

Strategic Action 2: Increase the supply of social housing

The Issue: The City of Whittlesea has minimal social housing. In 2006 only 1.6% of dwellings in Whittlesea were social housing compared to 3% of metropolitan Melbourne average dwellings. The majority of the social housing stock is in the established areas of Whittlesea, as the growth areas have limited public transport.

Strategic Action	Council's Role	Activity
2.1 Council set a long-term target for promoting and facilitating the growth of social housing in the municipality of 3% of all dwellings by 2026.	Social and Economic Planning	Council actively promote and facilitate the development of 500 additional social housing dwellings with government and non government housing providers to be constructed in areas with public transport : <ul style="list-style-type: none"> Established West (excluding Epping North): 200 dwellings Established East: 200 dwellings Urban Growth (South Morang only): 100 dwellings
	Advocacy	That Council lobby the Victorian government and the Commonwealth government for additional funds for social housing. That Council participate in local government alliances and planning committees such as the VLGA Housing and Local Government Network (HALGN) and the VLGA Diversity and Affordable Housing Advisory Group to advocate for funding for social housing.

The Issue: The municipality displayed increasing disadvantage in 2006 in comparison to other local governments in metropolitan Melbourne. More recent data on taxable income for the year 2008-09 reveals that incomes were 19% less than the average for metropolitan Melbourne. Additionally between 2008 and 2010, Whittlesea had a higher increase in the number of older people, young people, students, unemployed and low income families in receipt of Centrelink incomes with dependent children, than in metropolitan Melbourne and the neighbouring municipalities of Darebin and Hume. However, there is a low level of rental stock, in 2006 only 18 % of housing stock was rental stock and only 1.5% public housing. There is very little social housing stock for people with a disability, mental illness and intellectual disability (only 25 dwellings) and no transitional housing services located in the municipality.

Whilst public housing is the main form of social housing in Whittlesea, community housing particularly through registered housing associations, will play an increasingly central role in sourcing funds from State and Commonwealth governments and philanthropic and private sources and constructing social housing. A number of housing associations are active in the municipality: Haven, Community Housing Ltd, Housing Choices Australia, Victorian Women's Housing Association and Common Equity Housing Ltd.

Strategic Action	Council's Role	Activity
2.2 Council identify potential social housing development opportunities	Facilitate and Partner	<p>That Council undertake a survey to identify vacant and under-utilised land (residential, commercial, industrial private and public) to identify key potential sites for social housing development.</p> <p>That Council investigate the establishment of a land trust under a partnering arrangement.</p> <p>That Council identify and map under-utilised government (Commonwealth, State and local) land suitable for residential development, particularly within the Established East and Established West.</p> <p>That Council consider the sale of suitable under-utilised or surplus Council land on a case-by-case basis at a 15-20% discount on the market price to registered housing associations for the development of social housing</p>
2.3 Council support social housing providers	Facilitate and Partner	<p>That Council work with registered housing associations to develop proposals and submissions for additional social housing in the municipality.</p> <p>That Council identify and provide information on preferred housing development options for particular sites to registered housing associations.</p> <p>That Council identify and promote partnership projects between the public sector, the community sector and the private sector, to facilitate development of opportunities for investors to develop under-utilised land for social housing.</p> <p>That Council consider waiving rates for rental housing properties owned by registered housing associations.</p>
2.4 Council promote the creation of community, private and public sector partnerships for social housing	Inform and Engage	<p>That Council consult with owners and/or developers of suitable vacant land regarding how to promote the development of these sites to include 10% affordable housing and/or 5% social housing.</p> <p>That Council conduct an annual forum with the Office of Housing and registered housing associations operating in the municipality regarding possible new social housing developments within the municipality.</p> <p>That Council encourage partnerships or joint ventures for mixed use residential developments that include affordable housing by facilitating forums for social housing providers and private developers to discuss development opportunities and to consider the types of diverse and affordable housing development and planning incentives available.</p>

Strategic Action 3: Increase affordable private rental housing for low income households

The Issue: Whittlesea has experienced the lowest growth in rental stock compared with other outer urban growth municipalities in the North and West, but more growth than the bordering middle ring municipality of Darebin.

However, there is limited rental stock of less than 3 bedrooms and rents have increased by 39% in real terms in the ten years to 2010. Using both the 30% of income affordability measure and the residual income rental affordability measure reveals very limited affordable rental housing for people living on a very low income (i.e. those in receipt of Centerlink payments). The residual income affordability measures reveal that singles and sole parents with one child on low incomes can afford rent. However, couples and couples with two children require a moderate income to afford rent and not face a financial crisis.

It is expected that demand for private rental housing for low income households in the City of Whittlesea will continue to grow. However, the proposed diversification of housing stock through increased density around activity centres will not add to the stock of affordable private rental dwellings for the low income group. The higher construction costs of 'commercial' medium-density stock, as well as the proximity to rail stations, will result in relatively high rents for this stock.

At the same time, the Commonwealth government's current taxation policies, such as negative gearing, have not led to a growth in rental housing stock throughout Australia.

Strategic Action	Council's Role	Activity
3.1 Council benchmark the provision of rental housing for low income households and monitor progress	Social and Economic Planning	That Council set a general benchmark for rental affordability, based on rental affordability for couples with two children on low household income, using the residual income housing affordability measure developed for this purpose. Council annually monitor achievement of the benchmark.
3.2 Council develop a range of incentives to Encourage affordable rental housing development	Land Use Planning	That Council develop a range of incentives that can be used to encourage affordable rental housing such as: <ul style="list-style-type: none"> Reduction of car parking standards due to access to public transport, where applicable Building density bonus¹ offers where an increased density with a building will not compromise local amenity

¹ Density bonuses are granted when a developer agrees to include a certain number of affordable housing units, for every unit of affordable housing a developer agrees to build the Responsible Authority allows the construction of a increased number of market rate units.

Strategic Action	Council's Role	Activity
3.3 Council promote the development of and access to affordable rental housing for low income households	Inform and Engage	That Council provide information on and promote small-scale development in the Established East and Established West areas outside the activity centres. Small scale developments include dividing dwellings or redeveloping a site with two or more dwellings, in keeping with the surrounding areas.
	Facilitate and Partner	That Council work with registered housing associations to develop proposals and submissions for increasing affordable rental housing in the municipality, particularly through the National Rental Affordability Scheme. A design competition for rental housing development to demonstrate the social and financial viability of affordable housing projects be sponsored by Council, in conjunction with other interface councils, the Department of Planning and Community Development, and Places Victoria. Council facilitate a forum for community sector organisations and local real estate agents to foster better understanding of the needs and issues regarding access to and maintenance of private rental housing.
	Advocacy	That Council lobby the Commonwealth government to place restrictions on the negative gearing taxation provisions so that investment in rental housing is directed towards the construction of dwellings for households on low and moderate incomes. That Council lobby the Commonwealth government for continued funding of the National Rental Affordability Scheme.

Strategic Action 4: Increase in access to affordable house purchase for moderate income households

The Issue: Whittlesea has experienced an increase in house prices across the municipality in the years 2001 to 2010, but the increases are less than in Darebin. Using both the 30% of income affordability and the residual income house purchase measure reveals that very low income groups cannot purchase housing in the area and there is limited stock available at affordable prices for low income households. Even moderate income earners have limited house purchase affordability options in Whittlesea. The residual income affordability measure reveals that it is the smaller households on moderate incomes with few dependent children that can afford to purchase housing. However, even when we factor in a higher deposit for second time home purchase households, moderate income couples and couples with two or more children cannot afford to purchase housing in Whittlesea without facing financial stress.

The residual income affordability measure provides some benchmarks to aim for with regard to an affordable house price for diverse household types.

Table 1 indicates the affordable house purchase price for a range of annual household incomes² for diverse household types. This residual affordability assessment assumes a 25-year loan with a 10% deposit and 7.4% interest rate and the household living on a modest budget.

Table 1 Residual Model: House Purchase Affordability for Diverse Household groups

Household Income	Single Person	Couple	Couple + 1 child	Couple + 2 children	Couple + 3 children	Sole Parent + 1 child	Sole Parent + 2 children
\$30,000	\$49,887	\$7,591	\$0	\$0	\$0	\$20,471	\$0
\$50,000	\$240,129	\$137,575	\$44,557	\$0	\$0	\$198,360	\$115,282
\$70,000	\$417,098	\$342,985	\$226,354	\$140,330	\$26,945	\$351,716	\$241,688
\$90,000	\$744,490	\$713,988	\$580,458	\$468,519	\$322,278	\$662,210	\$526,267

The Residual Measure accounts for household size. In this measure the income available for housing is the amount remaining after the cost of other goods and services (living expenses) is deducted from a household's income.³ The residual income method recognises that the size of a household affects the households overall spending. As such, a single person on an income of \$50,000 can afford to pay more on housing than a family on the same income with two or more children. Thus Table 23 shows the affordable house purchase options, that is, what is an affordable dwelling for a range of incomes and a range of households. The Table reveals that for larger families (three or more children) they are effectively out of the first time purchase market until they achieve an income of \$110,000. Singles on the other hand can enter the market on incomes around \$50,000. Below this income range nothing is affordable for any household type. What this data suggests is that purchasing first time housing is limited, but less so for singles and childless couples.

Strategic Action	Council's Role	Activity
4.1 Council set and monitor a target for the provision of an affordable house price for moderate income households	Social and Economic Planning	That Council set a general benchmark for house purchase affordability, based on house purchase affordability for couples with 2 children on a moderate household income using the residual income housing affordability measure developed for this purpose. Council annually monitor achievement against this benchmark.

² \$70,000 is close to the median household income in Australia, as such, an income of \$50,000 is low to moderate and \$30,000 very low.

³ The living cost is estimated using the budget standards (basket of goods and services linked to household size) for low income and moderate income households developed by the Social Policy Research Centre at the University of NSW. The modest budget assumes reasonable living costs including spending on entertainment and recreation. These costs have been indexed to current costs using the Consumer Price Index (CPI).

Strategic Action	Council's Role	Activity
4.2 Council seek to achieve house purchase affordability in the private market	Inform and Engage	That Council consult with developers and builders regarding the affordability target and ways in which this might be achieved. That Council proactively promote its affordable housing strategy through briefing sessions, forums and kits with the private housing construction and development sector.

Strategic Action 5: Developing housing that matches the needs of the diverse population

The Issue: Population growth in Whittlesea is predicted across all age groups with particular emphasis on people between 25 and 44 years of age, the family formation and growth years, and older people. This population growth is occurring at the same time as the decline in the size of the average household. Also, community agencies reported great difficulty finding adequate affordable housing for singles, couples and large families and older low income people. The audit of community housing indicated that there is limited housing for people with a disability and only 20 dwellings with four or more bedrooms, with the majority of stock being 3 bedroom. At the same time across the municipality there is a lack of housing stock of less than 3 bedrooms.

Strategic Action	Council's Role	Activity
5.1 Council encourage the development of housing that is adaptable for people at different life stages and abilities	Inform and Engage	That Council promote housing that incorporates universal housing standards and adaptable housing standards to ensure housing is appropriate for older persons and people with a disability. Adaptable housing standards must comply with Australian Standard AS4299 1995.
5.2 Council encourage the development of housing for the diverse households in the municipality	Advocacy	That Council advocate to the Office of Housing for more public housing in the municipality, particularly 2-bedroom dwellings for older persons and people with disabilities. That Council advocate to the Office of Housing and to registered housing associations for more 4 bedrooms dwellings to accommodate very large families.
5.3 Council promote the development of housing suitable for people with a disability	Facilitate and Partner	That Council work with community sector disability support organisations and registered housing associations to develop proposals and submissions for increasing affordable rental housing for people with disabilities.

Strategic Action 6: Address the needs of people facing a housing crisis

The Issue: The City of Whittlesea has a lack of homelessness services. The transitional housing and housing information and referral service, North East Housing Services, is located in Preston.

There is an extremely low level of emergency and crisis housing stock (six crisis dwellings, two dwelling for people breaking away from family violence and two for young people). This indicates a high need for social housing, especially crisis and emergency housing for vulnerable and very low income households.

Strategic Action	Council's Role	Activity
6.1 Council seek to increase emergency and crisis housing support in Whittlesea	Advocacy	That Council lobby the State government and the Office of Housing for an additional 50 transitional housing dwellings over the five years to 2017. That Council lobby the State government and the Office of Housing for an additional 10 crisis accommodation dwellings over the five years to 2017. That Council lobby the State government and the Office of Housing for the establishment of a Housing Information and Referral Service at either Epping or South Morang.
	Facilitate and Partner	That Council work with non-government community sector agencies, especially registered social housing associations, to develop proposals and submissions for increasing social and crisis housing in the municipality such as development and presentation of submissions for funding under the National Partnership Agreement for Homelessness for projects aimed at alleviating homelessness within the municipality.

5 Implementation of the Strategy

To enable Council to implement the strategic actions requires an allocation of resources. A most efficient mechanism would be the appointment of a social planner to work across Council and collaborate with the Strategic Planning and Design Department, with specific responsibility for social and affordable housing:

- To review and ensure the Land Use Planning Objectives of the Municipal Strategic Statement promote the provision of social and affordable housing
- Develop the Local Planning Policy on Social and Affordable Housing
- Maintain a watching brief to ensure the Social and Affordable Housing Policy & Strategy is compatible with Council policies and strategies
- Establish an affordable housing data set taking into account the data available from the 2011 Census which will be available in 2012
- Oversight the development of and monitor achievement of the benchmarks and targets outlined in this social and affordable strategy and report annually to Council/Council committee on outcomes
- Facilitate working with other alliances (Interface Councils, Northern Region, VLGA Housing and Local Government Network etc.)
- Develop a housing site assessment tool
- Facilitate discussions with the Office of Housing, registered housing associations and private developers
- Explore and develop funding options and policies to promote social and affordable housing including crisis accommodation
- Work with registered housing providers to develop proposals to increase social housing stock
- Organise and conduct forums and meetings with public, private and community sectors
- Review and update the Social and Affordable Housing Policy & Strategy in 2015.