SCS 054 - Affordable Housing Policy

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Responsible Officer: General Manager Placemaking and Environment	

Purpose

This policy outlines Council's long-term commitment to increasing the supply, diversity and accessibility of affordable housing, including social housing, across the municipality.

It establishes Council's role, priorities, and approach to addressing housing affordability challenges to support healthy, prosperous and sustainable communities.

Strategic Context

Surf Coast Shire is experiencing sustained affordable housing pressures driven by several factors:

- The attractiveness of coastal, hinterland and rural living and ongoing capacity for remote work has contributed to above-average population growth
- Highly valued natural environments give rise to complex topography and planning constraints that limit housing supply
- Underutilised existing stock including housing used for short term rental accommodation further reduces the availability of long-term rental housing
- Strong rental demand is driving rents beyond levels affordable to many low- to moderate-income and key worker households.

As a result, towns that are unable to accommodate key workers who provide essential in-person services risk becoming less vibrant and productive. Businesses that struggle to attract and retain staff may reduce the extent and quality of services provided to residents.

Well-designed and located affordable housing allows people to participate fully in their community. The local economy and social fabric of the community thrive when a broad range of people can live in the community they work, study, volunteer, create and play in.

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As well as supporting diversity and inclusivity, affordable housing improves the health and resilience of our community. With climate change increasing the severity and frequency of extreme weather events (CSIRO, 2024), well-built and appropriately located affordable housing improves our collective ability to respond to major shocks and stresses.

As such, affordable housing is essential infrastructure and vital to the well-functioning of communities. Particularly in response to the broadening and deepening housing affordability crisis, all three levels of government - alongside industry, investors, and the non-government sector - must contribute.

The federal government shapes market conditions and demand through macroeconomic policy, taxation, migration and financial regulation. It underwrites large-scale investment in housing and infrastructure, and provides income support, rental assistance and funding for homelessness services.

State governments build, own and manage public housing, and provide governance and support for community housing organisations. They set the rules for renting, property transactions and social housing governance, and design and operate the housing and planning system through land release, land-use policy and development approvals. States also fund and deliver enabling infrastructure, including transport, schools, hospitals and other essential services.

These roles and responsibilities are described through several commonwealth and state government plans and strategies including:

- Homes for Australia – A National Plan
- National Agreement on Social Housing and Homelessness (NASHH)
- Plan for Victoria
- Victoria’s Housing Statement

Local governments enable development outcomes through detailed planning controls and approvals. They design and deliver enabling infrastructure, community facilities and open spaces that make neighbourhoods liveable and connected, and work closely with communities to shape places people value.

In this context, Surf Coast Shire Council will leverage the following roles and strategies to contribute to shared affordable housing outcomes:

Role	Strategies
Strategic planning and placemaking	Urban Futures Strategy Structure Plans Community Action Plans and Place Plans
Planning responsible authority	Surf Coast Planning Scheme

Infrastructure planning and delivery	Social Infrastructure and Open Space Plan
Project facilitation and partnership	Affordable Housing Action Plan
Advocacy and resource attraction	Surf Coast Shire Council Advocacy priorities
Connecting and contributing to improved understanding	Communications and engagement plans Research and knowledge sharing protocols

Objectives

In support of the goal to improve access to safe, secure, appropriate and affordable housing this policy and associated action plan will work towards:

- **Strong planning, evidence and decision-making**. Housing needs are well understood and embedded in planning, policy and investment decisions.
- **Increased supply of affordable housing**. The supply and diversity of affordable and social housing is increased across the municipality.
- **Stronger partnerships and housing ecosystem**. Collaboration with government, community housing organisations, and sector and community stakeholders is strengthened to support housing outcomes.

Principles

Council will be guided by the following principles:

- **Housing is a fundamental human right** as recognised in Article 25 of the *Universal Declaration of Human Rights, United Nations General Assembly 10 December 1948*. Access to safe, secure and adequate housing is a cornerstone of human dignity and a prerequisite for the full enjoyment of human rights.
- **Affordable housing is essential infrastructure**, serving both social and economic purposes by enabling people to participate in community life, sustain local economies, and contribute meaningfully to the places in which they live (Infrastructure Victoria 2025)
- **Responses must reflect local need and place,** including more affordable long-term rental housing - particularly social housing - and a greater supply of well-designed, medium-density homes suited to diverse households and located close to jobs, services and transport

- **Partnerships and the strategic use of limited resources are essential.** Affordable housing is a shared challenge requiring collaborative action. Council will leverage resources to enable affordable housing that delivers long-term community benefit.

Directions

Council will pursue the following strategic directions:

- **Embed affordable housing in planning**
  - Strengthen policy and planning controls
  - Integrate housing into placemaking
- **Enable and facilitate housing delivery**
  - Support development of affordable housing projects
  - Utilise Council processes, such as the affordable housing concierge service, and assets, such as suitable Council-owned land, where appropriate
- **Strengthen partnerships and advocacy**
  - Work proactively with government and sector partners
  - Advocate for funding and policy reform
- **Build evidence and monitor outcomes**
  - Maintain data and insights
  - Monitor and evaluate progress

Implementation and Review

This policy will be implemented through an Affordable Housing Action Plan. The Action Plan will be reviewed every two years in reference to the progress on the Policy objectives, principles and directions.

Definitions

Affordable Housing. While affordable housing does not have a common meaning across jurisdictions and government programs, for the purposes of this policy, affordable housing refers to the Victorian Planning and Environment Act 1987 definition, “affordable housing is housing, including social housing, that is appropriate for the housing needs of any of the

following—

(a) very low-income households;

(b) low-income households;

(c) moderate income households.”

This is periodically specified by the Minister by notice published in the Government Gazette.

The Planning and Environment Act also considers affordable housing to be housing that may be purchased or rented and its definition includes social housing.

Social housing, defined under section 4 of the Victorian Housing Act 1983, is government subsidised short and long-term rental housing. Social housing is made up of two types of housing:

- **public housing**, which is owned and managed by State and Territory Governments, and
- **community housing**, which is managed (Community Housing Providers) and owned and managed (Registered Housing Agencies) by not-for-profit organisations.

Public housing rents are typically calculated at 25 per cent of the household’s income. Community housing rents are often 30 per cent of income, plus Commonwealth Rent Assistance (CRA) which community housing tenants are eligible for.

Housing affordability. Housing affordability is commonly expressed as a ratio of housing costs to household income. A household is deemed to be in ‘**housing stress’** when more than 30% of gross income is expended on housing costs, ie, rent or mortgage repayments. Households in the lowest 40% of income distribution spending more than 30% of their income on housing are also likely to be experiencing financial stress.

Key workers. Key workers do in-person work vital to the well-functioning of communities. In the Surf Coast Shire, key workers provide essential services to

residents such as teachers and paramedics, and visitors such as chefs and hospitality staff, art- and adventure-tourism guides.

Key worker industries. In the Surf Coast Shire key worker industries include (using ABS Australian and New Zealand Standard Industrial Classification): Accommodation and Food Services, Agriculture, Forestry and Fishing, Construction, Education and Training, Electricity, Gas, Water and Waste Services, Health Care and Social Assistance, Public Administration and Safety, Retail Trade, Arts and Recreation.

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