



Rural City of  
**Wangaratta**

# Affordable Housing Strategy

2024

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### Acknowledgement of Traditional Owners

The Rural City of Wangaratta acknowledges the traditional custodians of the lands, on which the Rural City of Wangaratta communities reside. We pay our respect to their Elders past, present and emerging, and celebrate and respect their continuing cultures. We are committed to walking beside all traditional owners as we move toward reconciliation.

# Mayor's Message

Since COVID, we have seen dramatic changes to the housing market in the Rural City of Wangaratta. House prices increased almost 50% in three years and housing supply has not kept up with demand. While housing has always been affordable for most people in the city, this is no longer the case. More households are spending increasing amounts of their income on housing costs and are facing housing stress at a time when other costs of living are increasing. This means more families and individuals are falling behind.

At its most extreme, a lack of affordable housing leads to homelessness. Wangaratta has seen a 67% increase in people experiencing homelessness from 2016 to 2021 and services who work with people experiencing homelessness are finding it hard to even find crisis accommodation.

The lack of affordable housing is also having an impact on businesses and services, as key workers are not able to find housing they can afford.

For Wangaratta to continue to be an inclusive, courageous, and compassionate community and to be the place where everybody has the ability to engage, to prosper, to be supported and to grow, we need to work with government and the community to ensure that there is safe and affordable housing for all members of the community.

This is why we have developed this Affordable Housing Strategy. While housing is primarily the responsibility of the state and commonwealth governments, councils also have a role to play and residents in the City expect us to do so. Community engagement for the Council Plan saw 44.37% support from participants for Council encouraging more diversity and affordability of housing.

Council looks forward to working with the community to increase affordable housing in the City and to see the Rural City of Wangaratta continue to be a thriving place for all.

Cr Dean Rees  
**Mayor**



**Cr Dean Rees**  
**Mayor**

# Changes to Housing Affordability

Australia has relied on the private market to provide housing for most households, primarily through home ownership. The 2021 Census showed that 31% of Australians owned their home outright, 25% owned with a mortgage and 31% rented.

While home ownership remains the predominant housing tenure for most, fewer people, especially younger people, are now able to buy homes.

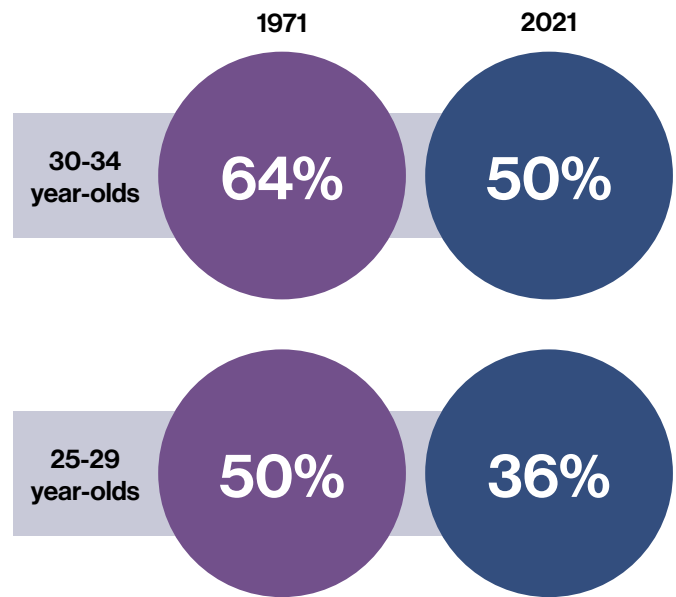
This change is driven because house prices have risen at a much faster rate than incomes. This is because housing supply has not been sufficient to meet the demand. This has also led to increased rent prices as more people are wanting to rent houses instead of buying.

The home ownership rate of 30–34-year-olds decreased from 64% in 1971 to 50% in 2021. For Australians aged 25–29, the difference was similar – 50% in 1971, compared with 36% in 2021. Home ownership rates have also gradually decreased among people nearing retirement. Since 1996, home ownership rates for the 50–54 age group has fallen by 8 percentage points over 25 years (80% to 72%).

There has been a corresponding increase in the number of households renting over that period. 60.1% of people under 35 were renters in 2021, compared to 55.4% in 1996. 33.8% of people aged between 35–54 were renters in 2021, compared to 25.8% in 1996. 20.6% of people over 55 were renters in 2021, compared to 17.5% in 1996.

Australia has also failed to invest in social and affordable housing. Social housing now comprises 4.1% of all residential housing in Australia; in 1991 it was 7.1% and in 1981 it was 18%. Victoria has the lowest level, at 2.9% of all housing stock.

## Australian Home Ownership Rate



## Changes in the Rural City of Wangaratta

The Rural City of Wangaratta has had higher levels of home ownership than for the rest of the country, even though Wangaratta has lower average incomes than the rest of Victoria and Australia. Table 1 This is because house prices have historically been at a level where most households in Wangaratta could afford to purchase a house.

Since 2021, there has been very large increases in house prices in Wangaratta. In June 2020, the median house price was \$365,500; the median price in June 2023 was \$547,000- an increase of 49.6%. Rental prices have also increased. The median rental price for properties in Northeast Victoria (combined house and flats) was \$342 per week in in June 2020; the median price was \$422 per week in June 2023 (SQM Research).



Table One:

Housing Tenure	Rural City of Wangaratta			Victoria			Rest of Australia		
	2011	2016	2021	2011	2016	2021	2011	2016	2021
Owned/ Buying	74%	66%	73%	70%	68%	68%	67%	66%	66%
Renting	22%	29%	22%	27%	29%	29%	30%	31%	31%
Other	4%	5%	5%	3%	3%	3%	3%	3%	3%
<b>Household Incomes</b>									
Less than \$650 pw	31%	29%	22%	24%	20%	16%	24%	20%	17%
More than \$3,000 pw	4%	5%	14%	10%	16%	24%	11%	16%	24%

Figures have been rounded.

## Housing Affordability & Housing Stress

The common measure of housing affordability is based on the 30:40 rule. This refers to where a household in the lowest 40% of income distribution pays 30% or more of their net income in housing costs. Where this occurs, the household is said to be experiencing housing stress.

Housing costs include rent, mortgage payments (including both the principal and interest), rates, taxes, household insurance, repairs and maintenance, as well as interest payments on loans for alterations and levies on strata-titled dwellings.

The changes to housing prices outlined above, mean that an increasing number of households in RCOW are experiencing housing stress. This is shown in Table Two:

**Table Two:**

Households in RCOW experiencing housing stress over time			
Australian Bureau of Statistics Census Data	2011	2016	2021
Households where rent is more than 30% of income	7.2%	8%	30%
Households where mortgage payments are more than 30% of income *	8.2%	5.8%	11%

\* The Census data is for August 2021. There have been 12 interest rate increases since May 2022

Another measure of housing affordability in the City is provided by the Department of Families, Fairness and Housing. It reports quarterly on the number of private rental dwellings that are affordable to people living on Centrelink incomes. This shows a significant reduction in affordable rentals for Wangaratta over the past twenty years..

**Table Three:**

Rental Affordability Index for people on a Centrelink Income for RCOW	
The index is prepared each quarter by the Department of Families, Fairness & Housing. It shows the number of private rental properties that are affordable to households living on a Centrelink income	
June Quarter 2003	96% of all rentals were affordable
June Quarter 2013	76% of all rentals were affordable
June Quarter 2023	28 % of all rentals were affordable



## Social Housing Supply

**There is a lack of social housing to meet the needs of people in RCOW.**

**There are 686 social housing dwellings in RCOW** which are owned and managed by Homes Victoria and a range of Community Housing Organisations. As of June 2023, there were 548 people on the Priority Waitlist for Social Housing in the City and a further 397 on the general waitlist for social housing: a total of 945. The greatest demand was for one-bedroom properties followed by two-bedroom properties.

# Impact of Increasing Unaffordability

## Increase in Homelessness

The lack of affordable housing in RCOW has led to an increase in people experiencing homelessness.

The Australian Census, which is conducted every five years, counts the number of people experiencing homelessness. This is a point in time count i.e., it tells us how many people experienced homelessness on that day.

The 2021 Census reported a **67% increase** in the numbers of people experiencing homelessness in RCOW from Census Night 2016. **(125 people 2021, 75 people 2016).**

The Australian Institute of Health and Welfare (AIHW) reports on the number of people who received support from Specialist Homelessness Services (SHS) over a year. For the 2021-22-year, **622 people** received SHS services in RCOW.



## Economic

The lack of affordable housing in RCOW also means that employers are experiencing problems attracting and recruiting key workers to the City and the Region.

The Victorian Skills Authority undertook an assessment of skills and labour market demand for the Ovens Murray region. It stated:

*Employers report strong interest from prospective workers to relocate to the region and enjoy its lifestyle benefits and natural assets. However, across industries Taskforce members identified lack of affordable housing as a critical barrier to attracting and retaining domestic immigrants.*

Work commissioned by the Northeast Workforce Management and Appropriate Housing project (NEWMAH) defines a key worker as anyone employed by an eligible business that must be performed at a specific location.

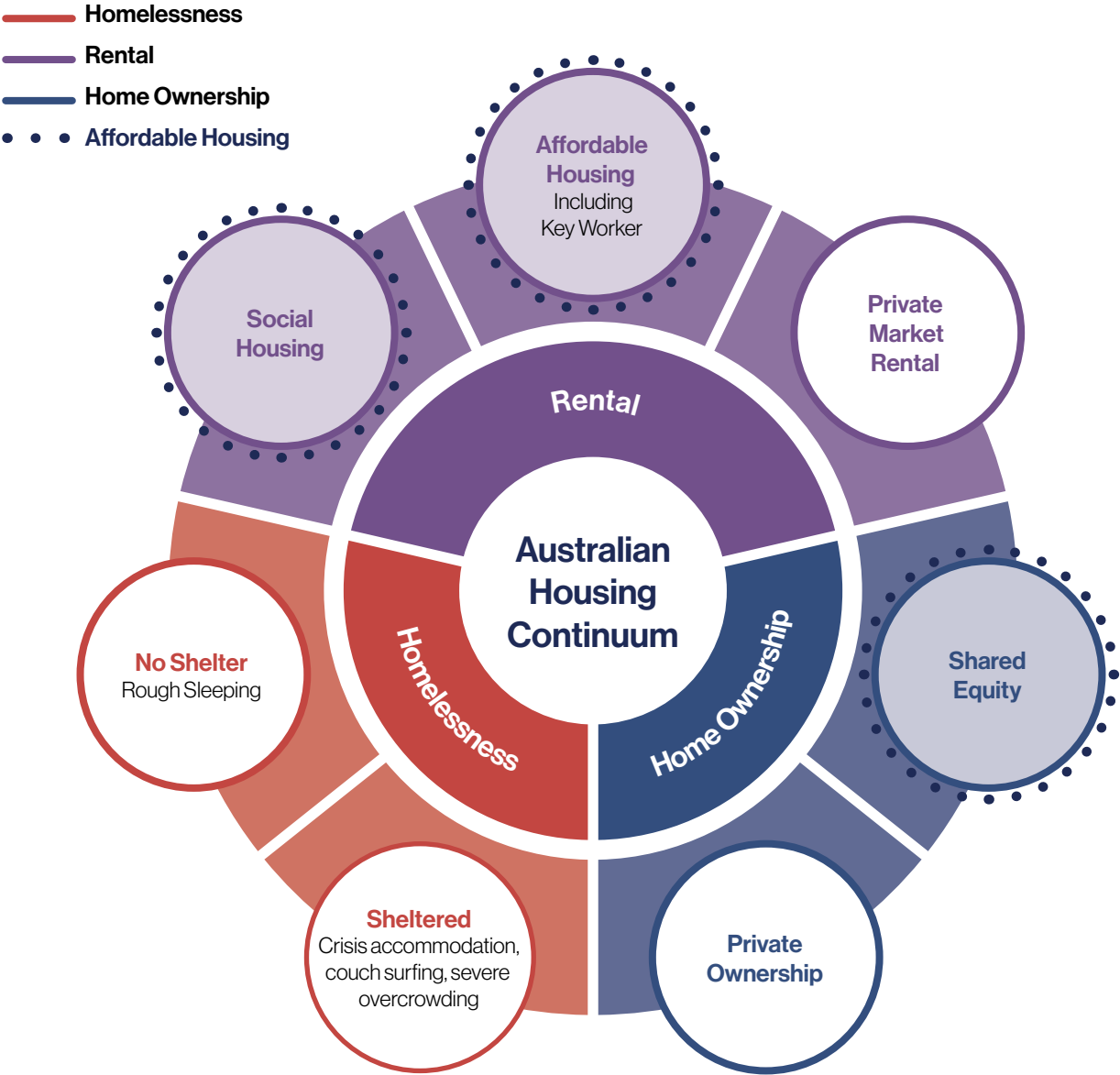
NEWMAH defines the following as eligible businesses in the Northeast: Agriculture & Viticulture, Forestry, Hospitality, Accommodation, Snow, Transport, Health & Allied health, Education & Early Learning, Manufacturing, Construction, Community Services and Essential services.



# What is Affordable Housing?

Broadly defined, affordable housing is nonmarket housing where the rent, or purchase is below market. Chart One below sets out where affordable housing sits within the housing continuum in Australia.

Chart One: The Housing Continuum



## The Difference Between Affordable and Social Housing

**Affordable Housing is defined in the Planning and Environment Act 1987 as “housing, including social housing, that is appropriate for the needs of very-low, low and moderate-income households.”**

Social Housing has a larger public subsidy than other forms of affordable housing. Social Housing rents are set at no more than 30% of a household's income. This is because the financial and support needs are higher for those who are allocated social housing.

Social housing is provided through public housing (owned and managed by the Victorian Government) and registered, not-for-profit community housing organisations.

Affordable rental housing, other than social housing, has rental prices that are below market rent, but not as low social housing. This type of housing is targeted to low to moderate income groups, including key workers, and is owned and managed by not-for-profit community housing organisations. Rents for this type of housing are usually set as a percentage of market rent e.g., 75% of market rent or a percentage of income.

Affordable housing can also include assistance for eligible households to purchase a house, such as first home buyer grants or shared equity schemes.





Roland

## 1. Social Housing with Support

**Roland** is 28 and is sleeping rough by the river. He is unwell and in very poor health. An outreach worker from the Salvos works to engage with Roland and Gateway Health also work with him on his health issues. The Salvos discover that he is not receiving any Centrelink benefits and has no identification papers. The Salvos work with him to get identification papers and assist him to apply for a Centrelink benefit. They also support Roland to complete an application for Social Housing; he is approved for the Priority Waitlist for Social Housing. When he receives his housing offer, Roland will pay a similar rent to Jake.

## 2. Social Housing – Public Housing

**Jake** is 32 and receives a Disability Support Pension of \$548 per week. He lives in a one-bedroom apartment owned and managed by Homes Victoria. His rent is set at 25% of his income which is \$137 per week.



Jake



Lucy

## 3. Affordable Housing – Community Housing Rental

**Lucy** is a 29-year-old sole parent with two children aged 6 and 8. She works 25 hours per week as a cleaner worker and receives \$689 per week in net wages. Lucy also receives \$277 per week in Family Tax Benefit supplement and \$218 per week in parenting payment. This means her total income is \$1,184 pw. She is also eligible to receive \$108 per week of Commonwealth Rental Assistance (CRA).

Lucy rents a three-bedroom house from a community housing provider. The market rent for this property is \$400 per week, but Lucy's rent is set at \$300 per week (75% of the market rent).

## 4. Ownership Affordable Housing – Shared Equity

**Aisha and Amir** are a couple with two children. Aisha works 20 hours a week at a local restaurant and Amir works full time as a bus driver. Their combined annual income is \$104,000 and they have savings of \$21,000. They have found a house in Wangaratta for sale for \$380,000. They are eligible for assistance under the Victorian Homebuyers' Fund. They have 5% deposit, so the government will contribute 25% to the purchase and retain 25% equity or ownership of the property. Aisha and Amir are expected to buy back the 25% share from the government over time.



Aisha & Amir

# Roles and Responsibilities for Social and Affordable Housing

While most residents in RCOW will continue to be housed through the private market – either through home ownership or rental - an increased number of households will need support to rent and/or buy housing. This support is provided primarily through the Victorian and Commonwealth governments but other organisations, including local government, can play a role.



## Commonwealth

Provides funding to states for housing and homelessness programs. It also provides income support and rental assistance. Housing Australia provides low-cost finance backed by the Commonwealth to not for profit housing providers for social and affordable housing. It also provides some finance for infrastructure and several schemes to help first home buyers. The NDIS provides some funding for Specialist Disability Accommodation.

## Victorian Governments

Builds and operates social housing through Homes Victoria as well as funding and regulating community housing providers to develop and operate social and affordable Housing. It also contracts services to provide support programs for people experiencing homelessness and family violence. The government also operates or funds programs for children in care, alcohol and other drug programs, corrections and mental health support programs.

## Local Government

Local government is responsible for land use planning and for developing and implementing a Community Health and Wellbeing Plan.

## Registered Housing Organisations

These are not-for-profit housing agencies that build and operate social and affordable housing. They can receive government funding and philanthropic donations to build properties as well as rental income from their tenants. They are regulated by the Victorian Housing Registrar and are required to meet legislated performance standards.

## Support Organisations

These are not for profit organisations that provided support services for people. These can provide support to people experiencing homelessness, family violence, mental ill health, alcohol and other drug issues or general health support.

## Voluntary Organisations

These are also not for profit organisations where people volunteer to provide services, fundraising, support, and a range of other support in the community. They can include church groups, service clubs, school clubs for example

## Developers

Developers can enter into voluntary agreements with Councils to provide a percentage of affordable housing in a larger development.



# An Affordable Housing Strategy for the Rural City of Wangaratta

Council has consulted with government, stakeholders, and the community to develop the broad goals of the Affordable Housing Strategy.

## Vision

This strategy supports Council's vision for the Rural City of Wangaratta.



**The Affordable Housing Strategy** supports council's vision for Wangaratta to be **a place where everyone has the ability to engage, to prosper, to be supported and to grow.**

If Wangaratta is to continue to be that place, then provision of secure, safe and affordable housing for everyone who requires it is fundamental to achieving that vision.

## Aims

Council understands that a lack of housing affordability is ultimately driven by a lack of supply of housing. Council will continue to use all available levers to increase overall housing supply in the City.

Council recognises that it cannot solve the housing affordability challenges facing the City. It is hoped however that by partnering with other levels of government, community housing providers, developers, investors, real estate agencies, support services, voluntary organisations and the community of Wangaratta, that we can achieve the following aims.

1. To increase the supply of social, affordable and key worker housing in the Rural City of Wangaratta
2. For social and affordable housing to be located in safe, clean, beautiful and friendly places. to live, learn, work and play.
3. For homelessness across RCOW to be a rare, brief and a one-time occurrence and that no one has to sleep rough in the City.
4. That inclusion, courage and compassion in our community is even further strengthened.

# Principles

In implementing the strategy, Council will be informed by the principles outlined below.

1. Social, affordable and key worker housing should be located in areas where residents have access to services, including public transport.
2. Social, affordable and key worker housing should be well designed, indistinguishable from market housing and contribute to creating an attractive neighborhood.
3. In areas where there is a higher density of social housing, extra attention must be given to quality building and place design, engagement with residents and the provision of responsive on-site tenancy management.
4. Support services that assist people who have experienced homelessness to find and maintain their tenancies are essential

# Actions

While primary responsibility for the funding, building and management of social, affordable and key worker housing rests with the Commonwealth and State governments and the community housing sector local government can also play a role. The role we can play is restricted by Council having much lower levels of resources than those available to other levels of government and the limited areas in which Council can operate.

Nonetheless, the Rural City of Wangaratta commits through this strategy, to play its part to support the development of affordable housing in the City through the following actions:

1. **Direct investment of council resources to support social, affordable and key worker housing**
2. **Land Use Planning**
3. **Advocacy**
4. **Community Engagement and Partnering**





## Action One Direct Investment by Council

**Council has already facilitated social, affordable and key worker housing across the City, including a \$65 million development at the former Ovens College site. Council will continue to facilitate and directly support social and affordable housing through the following actions.**

- 1.1 Council will identify Council owned land and/or air rights which can be made available for social, affordable and key worker housing projects.
- 1.2 Council will continue to provide rates exemptions or reductions on a case-by-case basis, where additional public value for the City can be demonstrated.
- 1.3 Continue to provide concessions for planning fees for social, affordable and key worker housing developed by not-for-profit housing organisations.
- 1.4 Explore whether Council infrastructure works (e.g., footpaths) can be programmed to assist development of social, affordable and key worker housing and/or whether a portion of DCPs can be allocated to infrastructure that supports social and affordable housing.



## Action Two – Land Use Planning

**Council has a statutory role in land use planning as established under the Planning and Environment Act 1987. The Act provides some scope for Council to contribute to the development of affordable housing through its planning function. Council will:**

- 2.1 Strengthen planning scheme provisions to facilitate affordable Housing and to support negotiations that secure affordable housing contributions.
- 2.2 Explore a voluntary affordable housing contribution for re-zoning proposals that include residential or mixed-use component and for planning permit applications that will create a significant number of dwellings.
- 2.3 Provide pre planning advice to organisations wishing to develop social, affordable and key worker housing for the City.
- 2.4 Encourage social, affordable and key worker housing that is well designed and located near services and transport.





## Action Three

### Advocacy

**As the elected local government for the city, Council meets regularly with the Commonwealth and Victorian Governments, Government departments and agencies to advocate for the needs of the City and its residents. In doing this, Council will:**

- 3.1 Advocate to the Commonwealth and Victorian Governments for funding for social, affordable and key worker housing to be delivered in the RCOW.
- 3.2 Advocate to the Victorian government and Homes Victoria for interim housing solutions for people experiencing homelessness in RCOW and for properly resourced and effective programs to support people experiencing homelessness to find housing and to assist them in keeping their housing.
- 3.3 Review land use in the City and identify if there is any unused government land. If identified, advocate to the Commonwealth and Victorian Governments for this land to be made available for social, affordable and key worker housing within the RCOW. This includes advocacy for changes to business rules which inhibit the use of government land for social, affordable and key worker housing.
- 3.4 Advocate to Northeast Water, the Department of Transport and Planning, other relevant agencies and the Commonwealth and Victorian Governments to ensure appropriate infrastructure is in place to support growth of housing for the city.
- 3.5 Advocate to the Victorian Government for changes to the Planning and Environment Act 1987 to strengthen affordable housing provisions through inclusionary zoning.
- 3.6 Advocate to Homes Victoria and the Victorian government to ensure excellent place and tenancy management of public housing built or redeveloped in RCOW.
- 3.7 Work with other local Councils through Regional Cities Victoria and the Municipal Association Victoria to advocate for increased social, affordable and key worker housing in regional and rural Victoria.



## Action Four

# Community Engagement and Partnering

**Local government is close to the community and is best placed to partner with and coordinate activities in a local area. Council has a proud history of working with the community to find creative solutions and especially enabling different groups within the City to work together. In continuing this work, Council will:**

- 4.1 Facilitate partnerships with businesses, developers, community housing organisations and government to identify and explore opportunities to increase social, affordable and key worker housing in the City.
- 4.2 Explore colocation of Council services or facilities with new social, affordable and key worker housing development, where this could improve outcomes and amenity for the community.
- 4.3 Work with local churches, not for profit organisations to explore whether there is unused land that could be made available for affordable housing.
- 4.4 Work with local service clubs, businesses, churches and not for profit organisations to identify opportunities for crisis accommodation and other supports for people experiencing homelessness and/or support for organisations working to support people experiencing homelessness.
- 4.5 Continue to coordinate the Action to Empower People Experiencing Homelessness group and include people with lived experience of homelessness in the group.
- 4.6 Work with the Action to Empower People Experiencing Homelessness Group and the Local Area Service Network to investigate funding, opportunities and approaches to ending rough sleeping, including the functional zero approach.
- 4.7 Work with not-for-profit organisations, schools, churches, businesses, service clubs and the community to encourage participation in Homelessness Week.
- 4.8 Provide information about government housing programs and housing and homelessness services in the City.
- 4.9 Increase awareness in the community about the changes in demand for housing in the City, particularly the need for more medium density housing.



