

The Hon Julie Collins MP

Minister for Homelessness and Housing  
PO Box 6022  
House of Representatives  
Parliament House  
CANBERRA ACT 2600

19<sup>th</sup> October 2023

To Minister Collins,

Thank you for the opportunity to make a submission to inform the development of the National Housing and Homelessness Plan.

The submission is informed by feedback from the Mornington Peninsula Shire community as well as Council positions expressed in declaration of a [Housing Crisis](#) in October 2021 and in its adopted [Council and Wellbeing Plan](#), [Triple A Housing Plan 2020 – 2030](#) and [Social and Affordable Housing Policy](#). The submission has also been prepared in consultation with a range of stakeholders who are members of Council's Triple A Housing Committee.

As detailed in our letter to you on 3 May 2023, the Mornington Peninsula Shire Council is extremely concerned about the impact that the housing affordability and homelessness crisis is having on our local community. We welcomed the opportunity to meet with your adviser [REDACTED] during our attendance at an Australian Local Government Association event in June.

Local growth in rents is outpacing growth in Greater Melbourne, and our community is facing significant rates of rental stress, higher than the metropolitan average. Low to moderate income households, including longstanding residents, are having to leave their local communities and seek more affordable housing off the Mornington Peninsula, away from their families and support networks. Others are facing homelessness, with the lack of crisis accommodation on the Mornington Peninsula further exacerbating the crisis.

Please find attached our submission including recommendations for consideration. We would welcome the opportunity to discuss these with you further.

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#### Contact the Mornington Peninsula Shire

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MORNINGTON  
PENINSULA  
*Shire*

If you have any questions about our submission, please contact [REDACTED]  
[REDACTED]  
[REDACTED]

Kind regards

[REDACTED]

[REDACTED]  
[REDACTED] Mornington Peninsula Shire Council

## **Acknowledgement of Country**

Mornington Peninsula Shire acknowledges the Bunurong people, who have been the custodians of this land for many thousands of years; and pays respect to their Elders past and present. We acknowledge that the land on which we meet is the place of age-old ceremonies, celebrations, initiation and renewal; and that the Bunurong people's living culture continues to have a unique role in the life of this region.

## **Introduction - Housing and Homelessness on the Mornington Peninsula**

The Mornington Peninsula Shire is located at the fringe of Melbourne's outer southern suburbs and has a resident population of 169,663 people, representing 2.6% of Victoria's total population.<sup>1</sup> Over 70% of our 723km<sup>2</sup> land area is Green Wedge, and the Shire has 192km of coastline (around 10% of Victoria's total coastline). The Mornington Peninsula has a diverse local economy including tourism, agriculture, retail, manufacturing, construction and business services.

The Mornington Peninsula is perceived as a wealthy area, yet in reality faces unique challenges in relation to housing and homelessness. The region has an urban/rural mix, high-value agricultural and conservation land, and is a popular tourist destination.

Despite 70% of the Peninsula being non-urban and regional in character, we are classified by the Victorian Government as a metropolitan area. We therefore miss out on much-needed regional Victoria funding streams, with the potential to address our regional challenges and opportunities. This has resulted in ongoing under-investment in vital social and affordable housing infrastructure (which is less than the Victorian average – see appendix 1) and housing and homelessness support services.

The [housing story on the Mornington Peninsula](#) is one of housing stress, with the rental market smaller than the metropolitan Melbourne area and contracting. House and unit prices are rising rapidly, exceeding those in the metropolitan area.

Low to moderate income households, including longstanding residents, are having to leave their local communities and seek more affordable housing, away from their families and support networks. Others are facing housing stress or becoming homeless.

The problem is scarcely addressed by the inadequate supply of social and affordable housing on the Mornington Peninsula or the provision of housing that is suitable for people being assisted by the first home-buyer schemes. Our key workers, families, first home buyers, older people, younger people and people with disabilities all are suffering.

The Mornington Peninsula Shire Council is extremely concerned about the impact that the housing affordability and homelessness crisis is having on our local community. We have advocated strongly to the Victorian and Federal government for a fair share of social and affordable housing and homelessness assistance, including writing to Minister Collins on 3 May 2023.

Council also declared a housing crisis in October 2021. Local government is an important stakeholder to engage in the development and implementation of the National Housing and Homelessness Plan. We have a strong understanding of our local communities and the local social, environmental and economic conditions.

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<sup>1</sup> Australian Bureau of Statistics (2022) [Regional population, 2021-22 financial year](#), accessed 12 October 2023.

## Summary of recommendations

### *Homelessness*

1. The National Housing and Homelessness Plan must set ambitious, clear national and regional targets for reducing or ending homelessness, and measure and report on progress against these targets annually at a national, State/Territory and local government level.
2. The National Housing and Homelessness Plan must explicitly consider the diverse needs of priority populations who are at increased risk of homelessness, informed by the lived experiences of people from these priority population groups.
3. Increase investment in crisis accommodation infrastructure and wrap around support services to provide a pathway from homelessness and prevent people falling into longer-term and recurrent homelessness.
4. Raise the rate of Commonwealth rental assistance and income support payments in line with cost of living increases, to keep people in existing rental markets.
5. Fund the scaling up of models such as Functional Zero to support local, real-time data collection and integrated and person-centred responses to managing homelessness and rough sleeping.
6. Recognise the vital role that Community Support Centres play in supporting people who are experiencing homelessness or are at risk of homelessness, through:
  - Increase funding (or maintain at current levels at a minimum) to be able to meet increasing demand for services and support.
  - Recurrent funding of a dedicated housing and homelessness outreach worker for each Centre (at a minimum), including preventative outreach to help people navigate the system and find appropriate supports.

### *Aboriginal and Torres Strait Islander people*

7. Fund identified positions, based on local needs, for housing outreach workers to ensure culturally appropriate homelessness and housing support.

### *Social housing*

8. Establish regional targets for the supply of social housing to better match the number of vulnerable households, and appropriate mix of dwelling size to meet local need.
9. Publication of information at local government, State/Territory and national level to increase transparency and drive improvements in capacity and utilisation of social and affordable housing stock, including:
  - The existing stock of social and affordable housing by type.
  - Vacancy rates of social housing.
  - The proposed stock of social and affordable housing.
  - Waiting times by stock type including trends over time.
  - Development of a uniform model of housing data collection by housing and crisis support agencies so that fair and equitable funding allocation can be made by various levels of government to address housing need.

10. Develop a robust cost-benefit and Social Return on Investment analysis for social housing, demonstrating its economic and social benefits. It is important to consider both quantifiable (e.g. economic returns) and non-quantifiable (e.g. social cohesion and community wellbeing) factors in these analyses.

#### *Housing affordability*

11. Federal and State and Territory governments establish and publish targets for the release of land for social and affordable housing developments. Deliver a pipeline of available land in consultation with local governments who can advise on suitable locations considering access to local amenities and services, and local neighbourhood characteristics.
12. Funding package for key worker accommodation to be distributed to local government areas that have the greatest need (determined through housing affordability data, employment and vacancy data, economic data for priority industries), and not be restricted to regional areas only.
13. Conduct a review into the regulatory framework for Short Stay rentals including investigation of measures to balance short-term and long-term rentals.
14. Establish a National Framework for Mandatory Inclusionary Zoning to ensure consistent growth of social and affordable housing in line with residential housing development at the national level.
15. Standardise a mechanism for affordable housing development contributions at the national level, offering a clear framework for contributions from major developments. This also includes developing a clear set of guidelines for industry and encouraging developers at the national level to make affordable housing contributions a standard practice in their projects, possibly through tax incentives or other financial mechanisms.
16. Recognise and classify affordable housing as infrastructure, acknowledging its vital role in addressing housing challenges and promoting social and economic wellbeing.
17. Support the holistic evaluation of affordable housing initiatives to ensure a solid foundation for addressing the housing crisis and promote affordable housing as a critical aspect of national infrastructure.
18. Implement a national system for regular review of housing affordability, collecting data on rental and housing costs, and adjusting policies as needed to ensure ongoing affordability.
19. Establish a comprehensive and coordinated national strategy to address affordable housing issues, ensuring that local governments have access to resources, legislative support, and funding for their initiatives.

#### *Climate change*

20. Introduce a nationally consistent framework which creates minimum standards in relation energy efficiency and heating and cooling in both social housing and private rentals.

21. Introduce mandatory disclosure of energy efficiency standards of all existing residential dwellings at point of sale or rental.

## 1. How can governments and community service providers reduce homelessness and/or support people who may be at risk of becoming homeless in Australia?

In the 2021 Census, the Mornington Peninsula had 423 people who were homeless, which had increased from 298 people from the previous Census. However, our local agencies and services estimate that the actual number of people who are currently homeless across the Mornington Peninsula is closer to 1,000 people.

A significant proportion of our homeless population are sleeping rough – the 2021 Census data shows that our Shire has the **fourth highest** number of people sleeping rough in Victoria.<sup>2</sup>

The Australian Institute of Health and Welfare's Specialist Homelessness Services Annual Report data, shows that 1,916 people from the Mornington Peninsula accessed services in 2021-22.<sup>3</sup> This however only counts people accessing services through government-funded specialist homelessness services agencies, so does not represent all people who are homeless in our region.

Mornington Peninsula Shire Council (the Shire) believes that this level of homelessness is unacceptable, and we call on the federal government to develop an ambitious National Housing and Homelessness Plan with clear targets to reduce or end homelessness.

As described above, the Mornington Peninsula is classified as metropolitan, however has many regional characteristics, which produces a unique set of challenges in relation to housing and homelessness, yet we are locked out of regional funding schemes.

Many of our homeless residents are invisible and sleep rough on foreshores and in the bush, due to the rural geography of much of our region, which is 70% Green Wedge and includes 10% of Victoria's coastline. We also have a severe lack of crisis accommodation and funded homelessness services, with the only assertive outreach services being philanthropically funded.

The Mornington Peninsula is also poorly serviced by public transport and our large geographic size further compounds the issues faced by homeless residents and can create barriers to accessing other health and mental health services, education, employment, and increases risk of social isolation.

### *Crisis accommodation*

The Mornington Peninsula has no dedicated crisis accommodation facility. Typically, the main crisis option is short-term nightly room bookings in motels or hotels funded through the local specialist homelessness service, which are always located off the Peninsula. The Mornington Peninsula has very few rooming houses (see Appendix 1), which are not a safe or viable option for many, particularly women and children.

Recognising these gaps, local support services and not-for-profit organisations worked together to establish a new crisis accommodation facility and model, which has been an extremely effective model for providing a pathway out of homelessness (see The Ranch case study below). However, with the impending closure of this temporary crisis accommodation, we have serious concerns about the impacts on our most vulnerable community members.

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<sup>2</sup> Australian Bureau of Statistics (2021) [Estimating Homelessness: Census, 2021 | State and territory by place of enumeration, Local government area](#), accessed 4 July 2023.

<sup>3</sup> Australian Institute of Health and Welfare (2022) [Specialist Homelessness Services Collection data cubes 2011–12 to 2021–22](#), accessed 4 October 2023.

### **Case Study – The Ranch Crisis accommodation**

In 2021, local support services worked together to establish a new crisis accommodation facility and model on the Mornington Peninsula. The collaboration was instigated by the desperate lack of crisis accommodation options, and the opportunity arising from the owner of a former motel in Mornington granting temporary use of their property prior to redevelopment.

The Ranch Motel crisis accommodation opened in March 2021 and has 12 rooms available for use by singles, couples and families. Guests generally stay for up to 8 weeks, with each person allocated a case worker. A Motel Coordinator employed by the local Community Support Centre is responsible for administration and operational management, and an assertive outreach worker coordinating the clients and case workers.

The provision of stable and safe housing over this time period, coupled with the wrap-around supports through the case worker, has provided a pathway out of homelessness. This has supported people during a critical period to prevent homelessness becoming longer-term or recurrent.

Over the past 2.5 years of operation, 130 people have stayed at The Ranch, with 70% transitioning into long-term housing in the first year of operation, and 60% in the second year. By way of comparison, another national report found a rate of between 19.5% to 31.2% exiting to long-term housing.<sup>4</sup> The demand for this type of crisis accommodation is clear, with full occupancy and a waiting list in place over this time. However, with redevelopment of the property scheduled soon, the closure of The Ranch is imminent, which will once again leave a huge gap for crisis accommodation options on the Mornington Peninsula.

The Ranch demonstrates an effective crisis accommodation model that has delivered positive outcomes for our most vulnerable community members. Reliant solely on philanthropy and unfunded not-for-profit resources, it also demonstrates the need for long-term funding stream for a crisis accommodation facility and model, to provide certainty and a longer-term strategic approach to prevent and respond to homelessness.

### *Homelessness system complexity and access barriers*

Homelessness support services on the Mornington Peninsula include the Salvation Army (the Victorian government funded specialist homelessness service for our region), and three local Community Support Centres in the three main townships of Mornington, Hastings and Rosebud.

The Community Support Centres are not funded homelessness services, however have worked responsively with philanthropic donors to address gaps in the homelessness support system by employing housing and homelessness outreach workers.

There are also many other services including case management through the local public health service Peninsula Health and other not-for-profit organisations. Each service has faced growing and overwhelming demand and at times has closed to new referrals. The

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<sup>4</sup> Batterham et al., [Crisis accommodation in Australia: now and for the future | Final report no.407](#), Australian Housing and Urban Research Institute (AHURI), August 2023, accessed 12 October 2023.



numerous funding streams, programs, and gaps has resulted in a complex service ecosystem, that can be very difficult for people to make sense of and navigate, particularly in a time of distress and crisis.

The Shire has tried to help address this complexity locally through developing and publishing service directories and an integrated planning tool,<sup>5</sup> and facilitating service coordination through a fortnightly multi-agency case coordination meeting for outreach workers and case managers working with people who are rough sleeping. However, there is only so much that these responses can achieve without longer-term, structural change to develop a coordinated and person-centred homelessness system.

Local homelessness service systems must be adequately resourced, tailored to meet the need of the local community, and be coordinated and easy to navigate with a 'no wrong door' approach.

Governments can look to reforms and designs of other service systems such as the family violence service system in Victoria, to adapt successful models to the homelessness system. The homelessness system must also be designed to meet the needs of diverse priority populations who are at increased risk of homelessness, including young people, older people, people with disability, Aboriginal and Torres Strait Islander people, LGBTQIA+ people and culturally and linguistically diverse communities.

#### *Community attitudes towards homelessness*

There is growing awareness amongst the Mornington Peninsula community about the homelessness and housing crisis, with many community members wanting to help raise awareness and offer their support. In 2022-23, [Peninsula Voice](#), a local grass-roots community organisation, held a series of three forums about homelessness. Over 300 community members attended to learn more about the issue, and participate in the development of local, community-led actions and solutions.<sup>6</sup>

However, people experiencing homelessness can also face significant stigma, discrimination and negative attitudes, which can further socially isolate them from their communities and cause harm. Stereotypes and negative attitudes can also create barriers to accessing support and help, which makes early intervention responses difficult.

For example, between 2011 and 2016, older women aged over 55 years were the fastest growing population group experiencing homelessness.<sup>7</sup> Older women may suddenly be at risk of homelessness due to a relationship break down or inability to work due to physical illness or caring responsibilities. For many, it may be the first time in their lives that they have had to seek support, and many delay help-seeking until they are in a crisis situation.

Homelessness is becoming increasingly visible on the Mornington Peninsula, with many people forced to sleep rough in their cars or camp on our foreshore areas due to no other appropriate housing options. This can cause challenges for people experiencing homelessness, who are already extremely vulnerable, by exposing them to negative attitudes or behaviours from the general community.

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<sup>5</sup> Mornington Peninsula Shire Council, [Food and other help guide and Integrated assertive outreach tool](#), Mornington Peninsula Shire Council, Accessed 5 October 2023.

<sup>6</sup> Peninsula Voice (2023) [Working together on the homelessness crisis on the Mornington Peninsula](#), accessed 5 October 2023.

<sup>7</sup> Australian Bureau of Statistics (2016) [Census of Population and Housing: Estimating Homelessness, 2016](#), accessed 12 October 2023.

The Mornington Peninsula has an influx of tourists over the summer months which doubles the local population, particularly camping on foreshore areas, which can create further challenges in this regard.

### *Data on homelessness*

Currently, homelessness funding and resource allocation is often informed by Census data. However, Census data doesn't accurately represent what our service providers are experiencing on the ground and appears to under-represent the actual numbers of people experiencing homelessness. It is also only undertaken every five years, so is too infrequent to provide a timely and accurate picture of the prevalence of homelessness.

Models such as the By-name list in the [Functional Zero](#) model provides an effective method of capturing data at a local level and is designed to reflect the movement of people into and out of rough sleeping. They also allow for real-time data that supports local, coordinated responses to rough sleeping. Such models should be funded to be replicated and scaled up State-wide and nationally. Locally, resourcing would help to enhance our Multi Agency Case Review group, which is limited to share and track data across different services and organisations.

### **Recommendations:**

1. The National Housing and Homelessness Plan must set ambitious, clear national and regional targets for reducing or ending homelessness, and measure and report on progress against these targets annually at a national, State/Territory and local government level.
2. The National Housing and Homelessness Plan must explicitly consider the diverse needs of priority populations who are at increased risk of homelessness, informed by the lived experiences of people from these priority population groups.
3. Increase investment in crisis accommodation infrastructure and wrap around support services to provide a pathway from homelessness and prevent people falling into longer-term and recurrent homelessness.
4. Raise the rate of Commonwealth rental assistance and income support payments in line with cost of living increases, to keep people in existing rental markets.
5. Fund the scaling up of models such as Functional Zero to support local, real-time data collection and integrated and person-centred responses to managing homelessness and rough sleeping.
6. Recognise the vital role that Community Support Centres play in supporting people who are experiencing homelessness or are at risk of homelessness, through:
  - Increase funding (or maintain at current levels at a minimum) to be able to meet increasing demand for services and support.
  - Recurrent funding of a dedicated housing and homelessness outreach worker for each Centre (at a minimum), including preventative outreach to help people navigate the system and find appropriate supports.

## **2. How can governments, across all levels, best work with communities to support better housing outcomes for Aboriginal and Torres Strait Islander peoples?**

The Aboriginal and Torres Strait Islander population of Mornington Peninsula Shire was 1,720 people in the 2021 Census, which is 1% of the Mornington Peninsula's total population.

Aboriginal and Torres Strait Islander people are more likely to be renting their home on the private market (34.6% vs 17.0% of the total Shire population) or renting social housing (7% vs 1.3% for the total population).<sup>8</sup> In the 2021 Census, the Mornington Peninsula had 13 Aboriginal and Torres Strait Islander people who were homeless, which is 3.07% of the total number of people who were homeless. The higher proportion of Aboriginal and Torres Strait Islander people renting their homes, together with a generally higher risk of poorer health and wellbeing outcomes compared to the general population, may contribute to an increased vulnerability to homelessness.

The Shire's Reconciliation Action Plan (RAP) was endorsed by Reconciliation Australia on 1 April 2020, and we are currently in the process of reviewing our RAP to continue our reconciliation journey. The RAP demonstrates a commitment to working with local Aboriginal and Torres Strait Islander communities, to support meaningful social, cultural and economic outcomes.

The Shire promotes the self-determination of Aboriginal and Torres Strait Islander people. The development of the National Housing and Homelessness Plan must consider self-determination as a guiding principle and work in partnership with groups such as the Aboriginal Housing and Homelessness Forum and Aboriginal Housing Victoria to respond to the unique challenges faced by Aboriginal and Torres Strait Islander people.

### **Recommendation:**

7. Fund identified positions, based on local needs, for housing outreach workers to ensure culturally appropriate homelessness and housing support.

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<sup>8</sup> Australian Bureau of Statistics (2021), [Census of population and housing, compiled by id \(informed decisions\)](#), accessed 5 October.

### **3. How can all levels of government, along with housing organisations, institutional investors, not-for-profits, and private industry, improve access to social housing, which includes public housing and community housing?**

Social housing is a critical part of the housing system, and essential to addressing homelessness. On the Mornington Peninsula, rents on the private rental market have increased significantly over the last few years (see response to Question 4 below). The Mornington Peninsula also has areas of high socio-economic disadvantage, particularly in the townships of Capel Sound, Hastings, Tootgarook and Rosebud.<sup>9</sup> Despite this, the supply of social housing on the Mornington Peninsula is inadequate to meet the needs of a growing cohort of people for whom private market rental is unaffordable.

Public housing waiting list data such as the Victorian Housing Register (VHR) can be used as a measure of the demand for public housing, however this data is not totally accurate or reflective of true demand for public housing. On the one hand, applicants can list up to 5 different location preferences, therefore there may be duplication/double-counting of applicants across different areas ('broadbands'). Conversely, people who are in need of social housing may simply give up and not make an application, as they do not see it as an option worth pursuing due to the huge waiting lists.

VHR waiting list data for June 2023 shows there are currently 3,987 applicants on the waiting list for Mornington Peninsula (Mornington Peninsula and Westernport broadband areas). The majority of people (approximately 65%) are waiting for a 1 bedroom dwelling.

VHR data from March 2023 showed that there were 1,397 social dwellings on the VHR in our municipality. Anecdotally we believe that a significant proportion (potentially 30%) of these properties are currently vacant, however there are no publicly available Victorian government figures to understand the true occupancy and vacancy rates for VHR dwellings.

The 2021 Census showed that only 1.4% of dwellings on the Mornington Peninsula were rented as social housing (compared to 2.5% of total dwellings across Victoria).

The study [Quantifying Australia's unmet housing need](#), also shows that there are 3,900 homes needed on the Mornington Peninsula (measured by the number of households not living in appropriate housing on Census night).<sup>10</sup>

Despite the evident need, the Mornington Peninsula has not attracted the required investment in new social and affordable housing. Investment often flows to higher density housing developments in inner metropolitan areas, whereas our regional characteristics are suited to lower density developments. This heavily disadvantages regional and peri-regional communities, and makes it very challenging to attract private and philanthropic capital. Therefore, there is a significant role for governments to play in addressing these gaps, to ensure a level of supply that meets the needs of the local community.

Local governments understand the needs of the local community as well local environmental, socio-economic, cultural and amenity characteristics of their municipalities. The sector is therefore well placed to work with other levels of government, to ensure that social housing is built in the right location and meets current and future needs of social housing tenants and the broader community.

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<sup>9</sup> Australian Bureau of Statistics (2021) [Census of Population and Housing, Index of Relative Socio-economic disadvantage, compiled by id. \(informed decisions\)](#), accessed 12 July 2023.

<sup>10</sup> Dr R van den Nouwelant and Dr B Soundararaj [Social and affordable housing: needs, costs and subsidy gaps by region | City Futures Research Centre](#), University of NSW, accessed 7 September 2023.

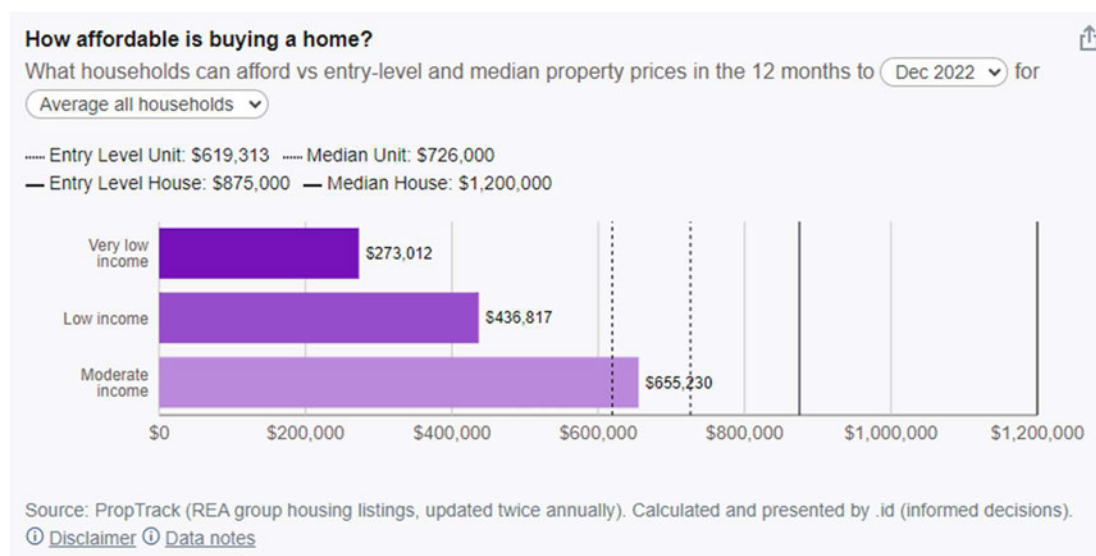
**Recommendations:**

8. Establish regional targets for the supply of social housing to better match the number of vulnerable households, and appropriate mix of dwelling size to meet local need.
9. Publication of information at local government, State/Territory and national level to increase transparency and drive improvements in capacity and utilisation of social and affordable housing stock, including:
  - The existing stock of social and affordable housing by type.
  - Vacancy rates of social housing.
  - The proposed stock of social and affordable housing.
  - Waiting times by stock type including trends over time.
  - Development of a uniform model of housing data collection by housing and crisis support agencies so that fair and equitable funding allocation can be made by various levels of government to address housing need.
10. Develop a robust cost-benefit and Social Return on Investment analysis for social housing, demonstrating its economic and social benefits. It is important to consider both quantifiable (e.g. economic returns) and non-quantifiable (e.g. social cohesion and community wellbeing) factors in these analyses.

**4. What should governments, private industries, the not-for-profit and community sectors focus on to help improve access to housing and housing affordability in the private market?**

*Affordability and housing stress*

There is a severe lack of affordable properties for purchase on the Mornington Peninsula. The Mornington Peninsula's entry level house price (defined as the 25% percentile sale price over a 12 month period) is \$823,750 compared to \$686,375 for Greater Melbourne. For units, entry level price sits at \$615,000 compared to \$448,916 for Greater Melbourne. This means the vast majority of properties are out of reach for people on low or even moderate incomes.



Whilst first home buyer schemes introduced by Federal and State governments are welcomed, such schemes often do little to help first home buyers in our community, as there is a lack of supply of affordable homes that meet criteria such as price caps for purchase.

The lack of affordable properties to purchase means an increasing number of people and families reliant on the rental market. However, there is also a shortage of affordable rental properties on the Mornington Peninsula. In the second quarter of 2022, the SGS Rental Affordability Index showed only five postcodes on the Mornington Peninsula with an 'acceptable' rental affordability for the average Australian rental household.<sup>11</sup>

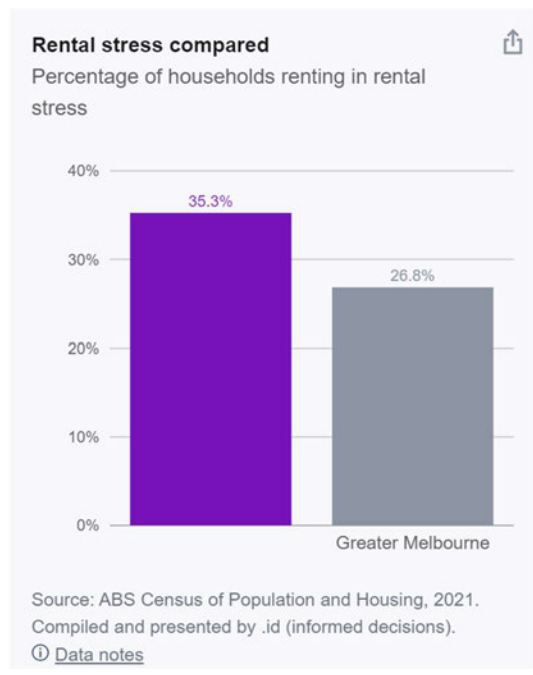
Local growth in rents is outpacing growth in rents in Greater Melbourne, and our community is facing significant rates of rental stress. The median weekly rent for a house on the Mornington Peninsula is \$580, which is \$100 per week higher than the Greater Melbourne median (\$480 per week). The median weekly rent for a unit is \$480 on the Mornington Peninsula vs \$425 median for Greater Melbourne. The 3 and 5 year annual growth in rental costs for the Mornington Peninsula are significantly higher than the growth in rental costs for Greater Melbourne (see graphs below).



<sup>11</sup> SGS Economics and Planning (2022) [Rental Affordability Index](#), accessed 12 October 2023.



An estimated 6,430 households on the Mornington Peninsula (9.3% of households) are currently in housing stress (rent or mortgage repayments). Of the 11,175 households in private rentals on the Mornington Peninsula, 35.3% are in rental stress. Rental stress is a widespread issue, impacting not only low-income households, but also households on a moderate income.



Housing stress has obvious devastating effects on individuals and families, as they struggle to make ends meet. Our Community Support Centres are reporting increased demand across the board for food relief, emergency relief, and homelessness outreach programs. One Community Support Centre has seen a 118% increase in food vouchers given out last quarter (July to September 2023), compared with the same period last year. However due to reduced funding, they have been forced to reduce the amount of food vouchers by half for each client.



Housing stress can lead to poverty, unsafe housing, overcrowding, or homelessness. If people can no longer afford to keep their home, they may be forced to move off the Peninsula, away from their families and support networks. Local real estate agents have also reported a rise in online scams, preying on people who are desperate to secure housing.

Unaffordability and housing stress not only has severe personal impacts on the individuals experiencing it. It also has flow on effects to the wider community and economy, with many local businesses and service providers (including hospitality, tourism, health and education) struggling to attract and retain staff.

Hospitality and tourism businesses in areas such as Sorrento and Flinders are struggling to get staff due to the distance from Melbourne and the scarcity and cost of renting a home locally. The Shire have been advocating for some time for support for key workforce accommodation to help our hospitality and tourism businesses attract staff. However, we have been locked out of Victorian Government's new \$150 million Regional Worker Accommodation Fund.

#### *Local policies and strategies*

Several local policies and strategies strongly endorse the expansion of affordable housing within the Shire. This involves harnessing the available tools within the land use planning system:

- [Council and Wellbeing Plan 2021-2025](#)
- [Housing and Settlement Strategy – Refresh 2020-36](#)
- [Social and Affordable Housing Policy](#)
- [Triple A Housing Plan 2020 – 2030](#)

Council's [Community Vision 2040](#) aims to connect and support the diverse social demographics on the Mornington Peninsula through universal access, social integration, safe housing, services, and events (Principle 3). It also focuses on responsible and innovative housing development, including opportunities for affordable housing (Principle 7).

The Council and Wellbeing Plan 2021-2025 supports the implementation through the creation of an Affordable Housing Policy for private development contributions, as well as active advocacy to the Victorian government for more social and affordable housing, and improved housing support services.

The Shire's Triple A Housing Plan 2020-2030, and Housing and Settlement Strategy: Refresh 2020-2036 outline a comprehensive set of objectives and actions, including:

- Planning for developer contributions to social and affordable housing.
- Supporting housing diversity and well-designed housing including universal design and energy efficiency.
- Incentivising social and affordable housing.
- Advocating for housing system funding and reform.
- Encouraging community-led social and affordable housing projects.

- Planning for the supply of well-designed and located affordable housing through the Planning Scheme.
- Increasing housing diversity and the supply of appropriate housing, including on Council-owned land.
- Including consideration of social and affordable housing needs in planning scheme amendment proposals.

These initiatives collectively aim to enhance the supply of social and affordable housing, with a focus on equitable developer contributions from major developments and community-driven projects.

#### *Affordable Housing Development Contributions Strategy*

As part of the above initiatives, Council is developing the Affordable Housing Development Contributions Strategy, which provides direction for how the Shire will support and enable the delivery of affordable housing.

The Strategy focuses on increasing the supply of affordable rental housing, typically through partnerships with community housing providers. It proposes a development contributions mechanism in the Shire's planning policy. This mechanism would provide or help fund affordable housing units within the municipality.

This Strategy:

- Measures the need for housing assistance in the Shire.
- Reviews policy and statutory mechanisms used to enable the increase in supply of affordable housing.
- Recommends an appropriate affordable housing contribution rate to be applied across the municipality.
- Provides a draft local policy to be included in the Mornington Peninsula Planning Scheme.

In Victoria, under the Planning and Environment Act 1987, local governments can enact voluntary 'Section 173' agreements for inclusion of affordable housing with developers. Our Council's history of securing affordable housing contributions through Section 173 agreements has been promising. Nonetheless, recent negotiations have brought forth challenges and valuable insights.

The points that follow provide a glimpse into the lessons we have extracted from a diverse set of cases, spanning both successful and unsuccessful endeavours in implementing affordable housing development contributions in the Shire.

- Collaborating with registered housing agencies can facilitate successful contributions.
- Clearly defined conditions and timelines enhance compliance.
- Offering flexibility in choosing housing providers can encourage compliance.
- Regular follow-up can ensure contributions are made in a timely manner.
- Shire officers' proactive engagement can encourage voluntary contributions.
- Developers may voluntarily contribute to affordable housing when encouraged.

- Proper enforcement mechanisms are crucial to ensure contributions are made.
- Timely resolution of payment disputes is essential to avoid legal action.
- Public perception and community engagement can impact contribution acceptance.
- Requesting contributions post-exhibition may face resistance.
- Legal challenges can impede contributions if not well-supported by policy and planning.
- Adequate justification for contributions is vital.

These cases highlight the complexities of implementing affordable housing development contributions. Success often depends on clear conditions, effective enforcement, collaboration with housing agencies, and proactive engagement with developers. Learning from both successful and unsuccessful cases is essential to refine future initiatives and address housing affordability challenges effectively.

Furthermore, the scale of contributions under voluntary mechanisms are highly unlikely to drive the needed growth in social and affordable housing, and so a framework for mandatory inclusionary zoning is needed to obtain a critical mass of social and affordable housing.

#### *Council land release*

To address the severe lack of affordable housing in our community, the Shire has made a commitment to deliver Council land, at least every 3 years, for social and affordable housing development.<sup>12</sup>

We commenced this process in 2022 where we invited EOIs for 10 parcels of land, with providers selected to develop affordable housing at Mornington and Hastings. However, the assets and resources available to the Shire are only a very small fraction of what is needed, and there must be significantly more Victorian and federal government investment in social and affordable housing to address homelessness and housing stress in our community.

The allocation of Shire land resources must also be supported by Victorian government investment via operational funding and/or long-term management of social housing or crisis accommodation built on released land parcels.

#### *Short stay rentals*

As a popular tourist destination, the Mornington Peninsula has a comparatively small rental market that is targeted towards short-stay tourism accommodation. The Shire introduced a local law in 2018 requiring short stay rentals (SSRs) to be registered with the Shire and abide by a Code of Conduct designed to protect local amenity.

There are currently approximately 3,200 active SSRs on the Shire's register. Online data platforms such as AirDNA estimate SSRs to be over 5,000 listings on the Mornington Peninsula (as at April 2023).

In 2022, the Shire sent out a flyer with our rates notice to encourage home-owners to consider placing their property on the long-term rental market. Feedback received from community indicated that the *Residential Tenancies Act* and legislative reforms in this area have resulted in a reluctance to make their property available as a long-term rental.

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<sup>12</sup> Mornington Peninsula Shire Council (2020) [Triple A Housing Plan 2020-2030](#), accessed 5 October 2023.

The impact of SSRs is something that many local governments in regional and tourist-focused areas are grappling with. In recognition of these growing challenges, the Shire convened a SSR Roundtable with the City of Hobart, Surf Coast Shire, Noosa Shire Council and Byron Shire Council at the Australian Local Government National General Assembly in June 2023. Attending Councils discussed their local challenges, responses to date, and recommendations for further investigation and action.

The Victorian Government recently released *Victoria's Housing Statement* on 20 September 2023, which included a new 7.5% levy on short stay accommodation platforms, with revenue raised to go into building and maintaining social and affordable housing.

Although we await further details on how the new levy will be implemented, we have concerns that the significant revenue that will be collected from the Mornington Peninsula under this levy (estimated to be up to a third of total revenue) will not flow back into social and affordable housing development locally. It is also not clear how or to what extent the levy will incentivise the transfer of short stay properties back onto the long-term rental market, which should be a key policy intention of any new regulation.

The Shire is concerned that the levy will severely impact our struggling tourism and hospitality sectors, override our current short stay rental local law and do nothing to solve our housing and rental affordability problem.

Local governments are ideally placed to be part of the response to SSRs, working in partnership with State and federal governments who have access to other levers that can be used to achieve an appropriate balance between short stay and long-term rental properties.

**Recommendations:**

11. Federal and State and Territory governments establish and publish targets for the release of land for social and affordable housing developments. Deliver a pipeline of available land in consultation with local governments who can advise on suitable locations considering access to local amenities and services, and local neighbourhood characteristics.
12. Funding package for key worker accommodation to be distributed to local government areas that have the greatest need (determined through housing affordability data, employment and vacancy data, economic data for priority industries), and not be restricted to regional areas only.
13. Conduct a review into the regulatory framework for Short Stay rentals including investigation of measures to balance short-term and long-term rentals.
14. Establish a National Framework for Mandatory Inclusionary Zoning to ensure consistent growth of social and affordable housing in line with residential housing development at the national level.
15. Standardise a mechanism for affordable housing development contributions at the national level, offering a clear framework for contributions from major developments. This also includes developing a clear set of guidelines for industry and encouraging developers at the national level to make affordable housing contributions a standard practice in their projects, possibly through tax incentives or other financial mechanisms.
16. Recognise and classify affordable housing as infrastructure, acknowledging its vital role in addressing housing challenges and promoting social and economic wellbeing.
17. Support the holistic evaluation of affordable housing initiatives to ensure a solid foundation for addressing the housing crisis and promote affordable housing as a critical aspect of national infrastructure.
18. Implement a national system for regular review of housing affordability, collecting data on rental and housing costs, and adjusting policies as needed to ensure ongoing affordability.
19. Establish a comprehensive and coordinated national strategy to address affordable housing issues, ensuring that local governments have access to resources, legislative support, and funding for their initiatives.

## **5. How could governments work better with industry, community services and other organisations to improve housing outcomes for all Australians?**

To effectively respond to the housing and homelessness crisis, it requires a collaborative response from all levels of government, working together with industry and community. On the Mornington Peninsula, we have a wealth of community capital and goodwill with people who want to help and participate in action and solutions.

In 2022-23, Peninsula Voice, a local grass-roots community organisation, held a series of three forums about homelessness. Over 300 community members attended to learn more about the issue, and participate in the development of local, community-led actions and solutions.<sup>13</sup>

However, the pathways and mechanisms to support community-led responses are not always available. For example, our Shire has been approached by Men's Sheds, Rotary and Lions groups who have practical skills and materials to assist with repairs and maintenance of housing stock. However there are restrictions on them being able to repair State-owned social housing due to contractual restrictions.

Local government is an important stakeholder to engage in the development and implementation of the National Housing and Homelessness Plan. We have a strong understanding of our local communities and the local social, environmental and economic conditions.

We are therefore an essential partner to deliver appropriate and effective responses to homelessness and more social and affordable housing in our communities.

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<sup>13</sup> Peninsula Voice (2023) [Working together on the homelessness crisis on the Mornington Peninsula](#), accessed 5 October 2023.

## **6. How can governments and the private and community sectors, help to improve sustainable housing and better prepare housing for the effects of climate change?**

Given our geography and latitude, the Mornington Peninsula has and will likely continue to experience climactic changes to a greater degree than Victorian, national and global averages.

As a coastal community, we are particularly vulnerable to impacts resulting from sea level rise and storm surges. In August 2019, the Shire declared a climate emergency, and our Shire has adopted a Climate Emergency Plan which provides clear priorities for how we will support and work with our community to achieve zero carbon emissions for the Mornington Peninsula by 2040.

People who are experiencing homelessness, particularly those rough sleeping, are more vulnerable to climate change and disasters, and are less able to prepare and protect themselves against its effects. Mornington Peninsula has the fourth highest number of people rough sleeping in Victoria, many in coastal foreshore reserves, which poses a particular challenge.

As well as exacerbating the situation for people who are already experiencing homelessness or housing insecurity, climate change and disasters also directly cause people to become homeless. Additionally, many people who are vulnerable may be living in older housing stock which is poorly insulated, and be more at risk to the effects of extreme weather.

Local government is an important stakeholder to develop partnerships and build community capacity to prepare for, and respond to, the effects of climate change and disasters. The Shire has recently established a Resilience, Relief and Recovery Network to coordinate planning and responses at a local level.

### **Recommendations:**

20. Introduce a nationally consistent framework which creates minimum standards in relation energy efficiency and heating and cooling in both social housing and private rentals.
21. Introduce mandatory disclosure of energy efficiency standards of all existing residential dwellings at point of sale or rental.

### Appendix 1: Mornington Peninsula – Share of housing (2.6% of Victorian population)

Home ownership	•Peninsula: 71.6% •Victoria: 64.2%	Specialist permanent supported accommodation (non-SDA)	•Peninsula: 0 •Victoria: 4 estimated
Social housing rental	•Peninsula: 1.6% •Victoria: 2.8%	Supported Residential Services	•Peninsula: 3 (2.4% of Vic.) •Victoria: 126
Private rental	•Peninsula: 17.8% •Victoria: 24.3%	Rooming houses	•Peninsula: 6 (0.4% of Vic.) •Victoria: 1,382
Dwellings with 2 or less bedrooms	•Peninsula: 17.8% •Victoria: 23.8%	Transitional housing (TH)	•Peninsula: 40 (1.1% of Vic.) •Victoria: 3,700 approx.
Specialist Disability Accommodation (SDA)	•Peninsula: 21 (4.3% of Vic.) •Victoria: 488	Youth supported accommodation facilities	•Peninsula: 1 •Victoria: 3 estimated
Retirement villages	•Peninsula: 14 (3% of Vic.) •Victoria: 468	Crisis supported accommodation - youth refuges	•Peninsula: 0 •Victoria: 16
Residential villages with movable dwellings	•Peninsula: 3 (5.7% of Vic.) •Victoria: 52 estimated	Crisis supported accommodation - general	•Peninsula: 0 •Victoria: 4 estimated
Caravan Parks	•Peninsula: 38 •Victoria: 470 estimated	Crisis supported accommodation - family violence refuges	•Peninsula: Partly met by TH •Victoria: 33 refuges
Residing in nursing homes	•Peninsula: 1,089 (4.1% of over 70s) •Victoria: 29,076 (4.6% of over 70s)	Drug & alcohol residential rehabilitation facility	•Peninsula: 1 •Victoria: 11 estimated

Source: Mornington Peninsula Shire Council (2020) [Triple A Housing Plan 2020-2030](#), accessed 5 October 2023.