

National Housing and Homelessness Plan Issues Paper

Submission from Regional Cities Victoria

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RCV
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VICTORIA

ABOUT REGIONAL CITIES VICTORIA

Regional Cities Victoria (RCV) is a regional leadership group dedicated to building a sustainable Victoria by providing strategic advice, coordination, and advocacy to state and federal governments. RCV supports policies which enable Victoria's regional centres to grow and develop by attracting further investment and encouraging the presence of a skilled workforce.

Comprising the Mayors and CEOs of the 10 largest cities in regional Victoria – Ballarat, Bendigo, Geelong, Horsham, Latrobe, Mildura, Shepparton, Wangaratta, Warrnambool, and Wodonga - RCV is focused on achieving real change in regional Victoria through policy development and implementation.

RCV is widely recognised as a pre-eminent advocacy organisation for regional Victoria. It is a trusted policy partner for government, working with key ministers and various arms of government, as well as other leadership bodies.

As regional hubs, RCV cities support surrounding towns and districts through the provision of education, health, financial, transport and social services, as well as retail, sport and recreation, cultural and tourism amenities, and activities.

RCV's vision is for regional prosperity and enhanced liveability through sustainable growth. To realise this, we need to develop and advocate for policies that invest equitably and sustainably in regional cities to support a growing Victoria.

Collectively, RCV's cities are home to more than 800,000 Victorians. Over the next decade, an additional 200,000 people are expected to be living within our 10 local government areas.

Regional Cities Victoria welcomes the opportunity to make a contribution to the *National Housing and Homelessness Plan*.



SUBMISSION

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

People living in regional, rural, and remote areas are disproportionately impacted by the significant housing challenges facing many Australians. Addressing the shortage of housing is the most consequential way governments and community service providers can reduce homelessness.

Adequate supply of affordable housing is the main barrier facing regional Victorians looking for a home – an issue that has been exacerbated by higher-than-predicted population growth over the last several years. According to the June 2021 quarter Regional Movers Index, there was an 11% rise in the number of people moving from capital cities to regional areas year-on-year.

Across regional Victoria, the crisis of housing availability and affordability – including the impact of significant stock in some areas being committed to short-stay accommodation – is impacting on the ability of new migrants to find a home; preventing regional businesses and large public sector organisations from attracting and retaining much-needed workers; and pricing many locals out of the regional cities and towns they have grown up in.

RCV welcomes increased investment by Commonwealth, State and Territory governments in all housing types: public and social housing, affordable and community-based housing, employer-sponsored housing for key workers, new stock for the private rental market, and other new homes that put downward pressure on house prices for first home buyers.

RCV member councils have identified three key challenges contributing to the rental and housing affordability crisis in regional Victoria: workforce challenges impacting on housing supply, land supply challenges (including 'land banking'), and planning processes.

Solving these challenges will require a combined and concerted effort from local, State, and Commonwealth governments.

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

RCV recognises that Aboriginal and Torres Strait Islanders are overrepresented in the social housing and homelessness sector. As has been identified, increasing the supply of housing, especially affordable housing, relieves pressure on the public housing system.

The Victorian Government, through its *Housing Statement*, has announced further incentives for developers to include a percentage of social housing in new developments in return for accelerated and streamlined planning approvals.

RCV supports policies that streamline the planning and approvals process in return for guaranteed percentages of housing developments set aside for social housing.

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?

The focus of all levels of government, as well as housing organisations and developers, should be on creating housing stock that meets the requirements of those in need of support.

Across regional Victoria, the type of property most in demand for social housing is one- and two-bedroom units. Older people, especially single older women, are the demographic most in need of social housing assistance to prevent homelessness.

Current zoning provisions that favour low-density development result in an imbalance of property types available on the market. In Ballarat, for example, lone person households make up 30% of households, yet only 3.4% of dwellings have one bedroom and just 15.3% have two bedrooms.

A significant proportion of households are not well matched to the dwellings they live in. Many people, especially older residents, are living in homes much larger than they require. Limited vacancy rates, together with low stock of smaller properties, results in people being forced to rent homes which are larger, and thus more expensive, than what they need. Consequently, these regional Victorians are more likely to experience housing stress.

Governments at all levels should focus on delivering social housing that fills this critical gap in the market.

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?

Regional cities have varying amounts of available land supply and, in many cases, are facing population growth at levels far outweighing previous estimates on which public policy decisions and advice to governments has been based.

All regional cities are facing challenges in the lead time between identification-of-land and supply-to-market.

Regional Cities Victoria believes that Federal and State and Territory governments have a role in directly funding trunk and enabling infrastructure as a key component to unlocking residential development, thus improving access to housing and putting downward pressure on housing costs in the private market.

Ensuring there is appropriate enabling infrastructure to support land development in a timely manner is a universal challenge. A lack of adequate water and sewerage infrastructure is a consistent problem facing development projects. Greenfield developments in the growth areas of regional cities require new infrastructure, whilst brownfield developments to build medium-density housing often requires augmentation of existing pipes and plants. Without direct investment by governments, developments are often delayed and/or rendered unviable.

In a Victorian context, Essential Services Commission-regulated Water Plans are failing to provide water authorities with the adequate scope to meet the infrastructure demands of regional Victoria's growing population (partly to protect existing residents/ ratepayers from excessive price increases).

While Development Contribution Plans (DCPs) contribute to the cost of providing local roads, drainage, open space, and community infrastructure, they are limited in scope and fail to provide for inclusion of other authorities involved in water and sewerage infrastructure development.

RCV calls on the Federal Government to provide funding for local governments to invest in enabling infrastructure projects that unlock new housing developments in regional areas. This would boost the available housing stock across regional Australia, putting downward pressure on private housing costs and tackling homelessness by freeing up more social housing.

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

Streamlining the planning process and assisting local governments and developers to unlock more land for housing development will improve housing outcomes for all Australians through increased supply and thus more affordable prices and greater housing choice.

Planning is first and foremost an issue for States and Territories. However, getting planning right is key to the success of any Federal Government initiative to boost housing stock and combat homelessness. Without reforming and simplifying planning and zoning regulations, policies to alleviate housing costs and homelessness will be stymied.

We welcome the Victorian Government's recent announcement to review and rewrite the *Planning and Environment Act 1987* and hope this will be done in a timely manner, in consultation with local government.

However, even with streamlined processes, regional Victoria is experiencing extreme workforce challenges due to a national shortage of planning staff. While all local governments are struggling to recruit and retain statutory planners, regionally-based Councils face additional barriers, including struggling to match the salaries offered in metropolitan roles or the private sector.

Addressing staffing shortages is an immediate priority. RCV calls on the Federal Government to leverage the Skilled Migration Scheme and to establish a campaign to attract more statutory planners to work in the public sector in regional areas across Australia. This will build on the success of several regional Victorian councils in attracting planners from other countries, including Ireland. Such an initiative would be strengthened by reducing the complexity of the Regional Sponsored Migration Scheme and making it less expensive for local governments to participate.

In the medium-term, more people must be encouraged to consider a career in planning. We encourage the Federal Government to explore opportunities to attract new entrants to the profession. For example, consideration should be given to reducing outstanding Higher Education Loan Program (HELP) debt for statutory planners who live in rural, remote or very remote areas of Australia and work in the public sector.

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?

Climate change brings the increased risk of floods and fires for regional communities. RCV members have raised with State and Federal governments the issue of better-informed disaster planning overlays, to avoid new development in areas vulnerable to future disasters.

However, a greater impact is likely to be on existing housing stock. Without adequate policy responses to the changed and rising risk of floods and fires as a result of climate change, residents in existing housing stock in some parts of many regional cities face significant safety and financial challenges. Over time, a preference for dwellings located in safer areas is likely to leave those in at-risk areas – many already low socio-economic communities – in dire financial straits, including an inability to obtain insurance and the potential of being trapped in negative equity.

7. Is there anything else you would like to tell us?

RCV recognises the current rental and housing affordability crisis facing Australia and the impact this is having on housing availability and homelessness. With above-average population growth over the past two years, Victoria's regional cities are acutely aware of the pressures caused by housing shortages on the regional economy, particularly given access to affordable housing is a requisite to attracting skilled workers.

RCV looks forward to working collaboratively with the Federal Government to identify planning pain points, propose and trial solutions in partnership with the Victorian Government, and create a more agile planning system.

RCV recognises that any plan to address housing affordability and homelessness must involve all three levels of government. Federal, State and Territory, and local governments must work together to address workforce challenges impacting on housing supply, land supply challenges (including 'land banking'), and planning processes if a sustainable and durable solution to Australia's housing crisis is to be developed.

As a key stakeholder, and the practitioners and experts in planning matters, RCV members look forward to continuing our conversations to drive a partnership to create long-term, sustainable, and affordable housing solutions for our communities in regional Victoria.

CONTACT

Thank you for receiving this submission. Should you have any queries, or require further information, please contact the Regional Cities Victoria Secretariat on 03 9654 4799 or via email: rcv@cprcomm.com.au