

Developing a National Housing and Homeslessness Plan

Submission by Rural Councils Victoria

Who we are and who we represent

Rural Councils Victoria (RCV) is an incorporated body representing 34 smaller rural councils across country Victoria.

Our membership does not include regional councils, so our focus is on issues relevant to smaller rural areas some of which are isolated or sparsely populated.

Our members' experiences will also reflect those of many smaller rural and remote areas of Australia.

One in nine Victorians live in rural communities and are served by rural Councils.

In Victoria, 38 of the 79 councils are classified as 'rural', including a number on the urban fringe.

Victoria's rural councils are responsible for 79 per cent of Victoria's land area and have a combined population of approximately 836,000 (ABS 2020) accounting for 12.5% of Victoria's population.

Context

Rural Councils Victoria commissioned a report in 2021 to better understand what was happening with housing across rural areas of the state.

The report – [The Rural Victoria Housing Blueprint](#), prepared by SGS Economics & Planning – found that rural Victoria would need 87,400 new dwellings over the following 15 years, about 5,800 starts per year.

Failure to provide the extra homes could mean annual Gross Regional Product losses across rural Victoria of between \$200 million and \$1 billion, the report said.

Housing availability and affordability is an issue that is now affecting almost all communities across Australia. However, it has been an issue that rural communities and our members have been grappling with for years.

There are elements of this problem that rural and metropolitan communities experience and there are problems that are unique to rural communities.

Rural communities struggle to attract the capital investment and developers required to build new dwellings in their communities.

Even if there is interest to build, securing skilled labour locally or finding workers able or willing to travel a significant distance to undertake construction work is difficult.

Shortage of homes

Lack of homes is having detrimental effects across all sectors of the rural Victorian economy.

There is a serious shortage of rental properties for the seasonal workers who are vital to the

production of the food that all Australians need.

The report found that the sectors worst hit by the housing shortages are:

- ☐ agriculture
- ☐ forestry and fishing
- ☐ manufacturing
- ☐ construction
- ☐ education and training
- ☐ hospitality
- ☐ the rental, hiring and real estate industries, and
- ☐ health.

But every sector would be negatively impacted, the report found.

Rural communities need more places for people to live. There also needs to be greater diversity in the types of accommodation being built or proposed.

Worker accommodation is a key issue, but there is also an ageing population in rural communities who want to stay in their homes and within communities. More housing that supports this type of living is also needed.

Rural and regional hospitals and health services struggle to find and retain staff because there are not enough family homes available. This makes it difficult to attract and retain health staff in rural and regional communities, let alone stay and raise a family.

Effects of the pandemic, immigration restarting, the move from cities to rural areas and flood

For many years in the run-up to the global Covid-19 pandemic, rural Victorian communities had suffered declining populations as people – particularly the young – moved to the cities for education, jobs and other opportunities.

During the Covid-19 pandemic there was **a surge in population in many rural areas**. This placed additional **upward pressure** on **property prices and rental costs**, often pricing locals out of their own communities.

While the population increase is welcome and brings many social, economic and other benefits, it has placed further pressure on the housing and rental markets across rural Victoria.

Before the pandemic – as [The Rural Victoria Housing Blueprint](#) found – rural Victoria wasn't keeping up with the demand for homes. Following the pandemic and the surge in population we are even further behind.

Before the pandemic, rural Victoria needed 87,400 new dwellings over the 15 years to 2034, about 5,800 starts per year. With population growth the need has only grown.

The 2022 Flood Event in Victoria has exacerbated the issue in many parts of rural Victoria, with many houses unlivable due to flood-related damage and slow repair processes. This results in whole families living in caravans or driveways or backyards.

This again underlines the need for more housing stock for families, workers and renters across rural Victoria.

Housing affordability and disadvantaged cohorts

The housing-related issues that face communities in Victoria's cities and regions also impact rural Victoria, but our communities have fewer per-capita resources and fewer options.

Housing availability and affordability can compound the disadvantage already experienced by vulnerable cohorts across our communities.

For example, the Australian Human Rights Commission found that between 2011 and 2016 women aged over 55 years were the fastest growing cohort of homeless Australians.

The commission found that this trend was likely to continue due to a range of factors including an ageing population, shortage of affordable housing and the gap in savings and assets between men and women across their lifetimes.

For older women living in rural Victoria this issue is compounded by the fact that there are even fewer housing options. Over the course of their lifetimes they may have not been involved in paid work due to a lack of opportunity in some rural communities, the lack of childcare or lack of access to training that would have facilitated their participation in the workforce.

This is also the case for other groups facing disadvantage: half of Victoria's first nations people live outside of Melbourne in rural and regional areas.

They are a group that has faced significant hardship over generations and have often been locked out of or unable to access home ownership, leaving this group incredibly vulnerable to increases in rental costs.

Women experiencing family violence have fewer options for housing and often have to travel significant distances to access services. If they want to stay in their community close to their jobs, support system, children's schooling, it can be very difficult due to a shortage of housing and rental properties.

When designing schemes to assist vulnerable cohorts around homelessness, the shortage of accommodation, high rents and housing access, it is imperative that the government includes a stream that focuses on the distinct needs of rural communities.

Barriers

A recent survey of mayors, CEOs, councillors, and council staff in rural Victoria has identified the biggest blockers to solving the rural housing crisis and building new homes across rural Victoria.

The [RCV Rural Housing Survey](#), launched at the RCV Forum 2023 in Echuca, found that the biggest blockers are:

- ☐ Availability and preparation of land
- ☐ Ability to find qualified people (trades and planners), and
- ☐ State policy and regulation.

The Rural Housing Survey paints a stark picture of what is happening in the rural housing crisis and points to possible solutions.

Solutions

Several Victorian rural councils are already working on their own solutions, but they need help from government to deliver the homes rural communities need.

Rural Councils Victoria is calling on the state and federal governments to support the provision of affordable, and sustainable housing in rural communities across Victoria.

To address the housing challenges faced by rural communities there needs to be an appropriate level of facilitation and financial resources for rural councils and their communities.

Rural areas are often overlooked in housing discussions or considered the same as regional areas, this is not the case.

Rural communities deserve targeted investments to ensure they get the homes they need.

Through strategic financial support for the Rural Housing Action Plan, rural housing markets can be revitalised, economic stability promoted, and overall quality of life in rural communities enhanced.

Rural Enabling Infrastructure Initiative

Connections to sewerage, water, energy

To promote the development of affordable rural housing, Rural Councils Victoria is advocating for the establishment of a Rural Enabling Infrastructure Initiative, tailored to rural areas.

A Rural Enabling Infrastructure Initiative will encourage the construction of sustainable and well-planned housing developments by making land ready for development while keeping costs manageable for both developers and future rural homeowners.

A Rural Enabling Infrastructure Initiative should include both subsidised infrastructure roll out and low interest loans.

Council Developer Support and Risk Mitigation

Bridging funds to help councils develop homes

A number of councils across rural Victoria have invested in developing homes in their communities but it is hard to do successfully without adequate government support.

As part of the Rural Housing Action Plan, RCV calls on governments to deliver a Council Developer Support and Risk Mitigation program tailored to rural development projects.

This will help rural councils to develop land themselves and mitigate the risks associated with doing so.

This approach will encourage more councils to develop land, attract more interest from other investors and increase the overall supply of affordable homes in rural communities

Rural Housing Expertise and Capacity Building

Project implementation and oversight

Adequate staffing and expertise are crucial to the success of the Rural Housing Action Plan.

Rural Councils Victoria urges policymakers to invest in Rural Housing Expertise and Capacity Building.

This investment would ensure that rural councils are able to attract and retain qualified professionals who understand the unique challenges of rural housing development.

Expert staff will ensure efficient project implementation and proper oversight in rural communities.

Rural Housing Policy Reform

Streamline housing approvals

Rural communities need comprehensive planning reforms aimed at streamlining rural housing approvals.

Rural Housing Policy Reform would focus on expediting the development-approval processes for homes in rural areas.

This would reduce delays and costs, and make it easier for developers to participate in rural affordable housing projects.

Targeted Rural Housing

Specific funding to deliver rural homes

There needs to be specific funding for Targeted Rural Housing Solutions to address the unique housing needs of rural communities.

Rural Councils Victoria is calling on government to support projects that specifically provide housing for critical groups such as rural low- income individuals and families, key workers, seniors, and women who are disproportionately affected by rural housing challenges.

Short-stay levy

Rural communities need their fair share

The proposed Victorian Short Stay Levy will have implications for many rural communities, especially those with a tourism-based economy.

We recognise that the impact of short-stay accommodation is not uniform across rural communities.

Rural areas, particularly those with a high concentration of short-stay properties, often face unique challenges and opportunities.

A portion of the Short Stay Levy revenue should be allocated for reinvestment into rural (not just regional) areas.

This reinvestment should focus on delivering the actions outlined in this plan including infrastructure, key worker and other housing and council capacity support.

This will help to ensure that rural communities can harness the economic potential of the short- stay sector while also providing the housing rural communities desperately need.

RCV is committed to advocating that rural communities get their fair share from this levy.

There should be a **review of the Short Stay Levy after 12 months** of operation to assess if it is working and whether support is going into the rural communities that need it

Councils innovate to deliver homes

Councils across Rural Victoria are finding new ways to deliver homes for their communities, but they can't do it on their own: below are three examples of what is being done

Moyne Shire Council

Delivering worker accommodation

With the support of the State Government, Moyne Shire Council delivered 11 studio-style cabins at the Mortlake and Koroit Caravan Parks for key workers.

Council built and leases the cabins to local businesses.

The cabins help address the shortage of affordable accommodation for skilled workers.

Pyrenees Shire Council

Developing housing subdivision

Pyrenees Shire Council developed its own subdivision in order to open up land for new homes.

The Correa Park development is fully sold and has added accommodation for 100 families in Beaufort in western Victoria.

Mount Alexander Shire Council

Engaging a housing broker

Mount Alexander Shire Council has a staff member to broker housing solutions. Council says government investment in housing brokers across rural Victoria would yield significant progress and innovation in addressing affordable housing needs in rural and regional areas.

Many rural councils and communities work hard every day to find solutions to the housing challenges facing their communities. The knowledge they have acquired needs to be shared and good ideas identified and funded.

No single solution will deliver 87,400 new houses in rural Victoria. A range of measures will be needed.

Rural Councils Victoria is interested in being a collaborative partner to find and implement solutions to this significant problem.

[The Rural Victoria Housing Blueprint](#) outlined that in order to increase the number and types of homes in rural Victoria there needs to be more actors involved.

The government needs to work with councils, communities, investors/developers, the private sector and the community sector to ensure that the regulatory and planning framework encourages the creation of new homes in rural Victoria.

There also needs to be direct government investment and support for innovative solutions.

Across the RCV membership there are examples of councils developing land themselves to ensure more homes are built in their communities and other examples of councils coming together to develop worker housing projects for funding consideration.

Rural Victoria is a wonderful place to live and with the right support to build more homes of all shapes and sizes, it will be an accessible affordable place to live – and our communities will continue to thrive and grow.

Rural Councils Victoria is available to appear in person before the inquiry should you wish.

Yours sincerely



Cr Mary-Ann Brown
Chair
Rural Councils Victoria