



Peel Region Affordable Housing Plan

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PEEL REGION AFFORDABLE HOUSING PLAN

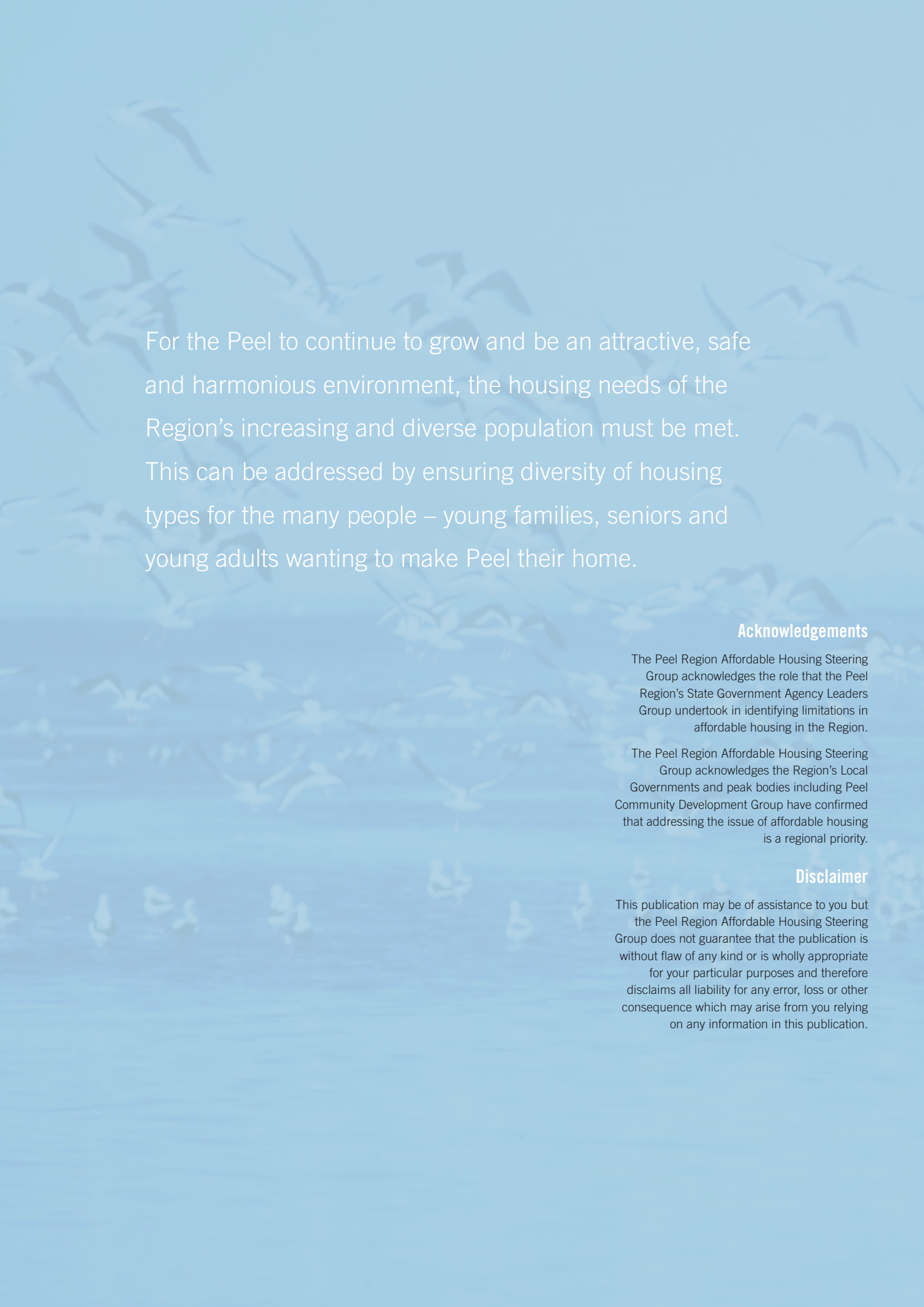


THIS DOCUMENT HAS BEEN PREPARED BY THE PEEL REGION AFFORDABLE HOUSING STEERING GROUP COMPRISING REPRESENTATIVES FROM:

SEPTEMBER 2007

- LOCAL GOVERNMENTS OF BODDINGTON, MANDURAH, MURRAY, SERPENTINE, JARRAHDALE, WAROONA • DEPARTMENT OF HOUSING AND WORKS
- DEPARTMENT FOR COMMUNITIES • PEEL DEVELOPMENT COMMISSION • PEEL COMMUNITY DEVELOPMENT GROUP • LANDCORP • SHELTER WA •
- DEPARTMENT FOR PLANNING AND INFRASTRUCTURE • CARAVAN PARK TENANTS GROUP • PUBLIC TRANSPORT AUTHORITY • CARAVAN INDUSTRY ASSOCIATION





For the Peel to continue to grow and be an attractive, safe and harmonious environment, the housing needs of the Region's increasing and diverse population must be met. This can be addressed by ensuring diversity of housing types for the many people – young families, seniors and young adults wanting to make Peel their home.

Acknowledgements

The Peel Region Affordable Housing Steering Group acknowledges the role that the Peel Region's State Government Agency Leaders Group undertook in identifying limitations in affordable housing in the Region.

The Peel Region Affordable Housing Steering Group acknowledges the Region's Local Governments and peak bodies including Peel Community Development Group have confirmed that addressing the issue of affordable housing is a regional priority.

Disclaimer

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Foreword



The development of appropriate and affordable housing in regional Western Australia is a priority for the State Government. Rising housing costs and falling housing affordability have not escaped the regions and provide real challenges for the sustainable delivery of housing into diverse and growing communities.

The Peel Region provides a striking example of the effects of Western Australia's strong economic growth and impacts on housing availability. At one stage, exceptional population growth over a prolonged period provided Mandurah with the title of fastest growing regional centre in Australia. Although such popularity is certainly welcome, the pressures created by sustained growth on vital infrastructure such as housing are substantial and responses require careful planning and, most importantly, collaboration.

The complex links between housing affordability and the range of regional issues from community wellbeing to law and order, employment opportunities, skills shortages and tourist accommodation required investigation and recommended actions. In December 2006 I endorsed the formation of the Peel Region Affordable Housing Steering Group to carry out these investigations under the guidance of chair, Hon Dr Sally Talbot MLC, Member for South West and Parliamentary Secretary to the Minister for the Environment; Climate Change; Peel.

The committee's task was to develop this Affordable Housing Plan for the Peel Region, which will guide all levels of government, commerce, industry and the community on ways to meet housing demand in the short, medium and long term. In addition the committee has also identified specific opportunities to increase the supply of affordable housing arising from developments associated with the Southern Suburbs Rail and other infrastructure projects.

Responses to housing affordability cannot effectively be delivered by one government department or a single council or not-for-profit organisation. It requires a high level of collaboration to make a difference and the committee, which includes wide-ranging representation, has certainly embodied this approach.

The plan's actions provide specific tasks for State and Local Government, and asks agencies, councils and the private sector to find new ways to prioritise and support the delivery of sustainable affordable housing solutions throughout Peel. As implementation proceeds, more actions will emerge and evolving responses will continue to be overseen by the steering committee, which has brought considerable expertise and enthusiasm to the process.

Housing affordability will continue to provide challenges to communities in the short to medium term. This plan provides a great example finding ways to meet the challenge at a regional level to ensure good housing outcomes for the people of Peel in the years to come.

Hon Michelle Roberts MLA
Minister for Housing and Works

Executive Summary

The Region's State agencies, Local governments and peak bodies including the Peel Community Development Group confirmed that addressing affordable housing issues was a regional priority. In response to these housing affordability issues, a Peel Region Affordable Housing Steering Group was formed in late 2006 and endorsed by the Minister for Housing and Works Hon Michelle Roberts MLA.

The vision of the Peel Region Affordable Housing Steering Group is to influence and deliver affordable housing options within mixed and balanced communities. This will occur through interaction and dialogue with all levels of government and industry to facilitate a diversity of housing type and tenures that are appropriate to the future needs of the region.

In order to meet the needs of the Peel Region and realise the vision of the Peel Region Affordable Housing Steering Group, five objectives have been identified:

1. Provide an effective framework to increase affordable housing provision.
2. Increase housing diversity, adaptability and affordability.
3. Improve access to affordable housing.
4. Ensure appropriate affordable housing to support employment and economic opportunities.
5. Plan for housing need as a result of rapid change.

The Peel Region Affordable Housing Steering Group has developed this plan to provide a framework that includes effective actions to ensure increased affordable housing provision in the Peel Region in the short, medium and longer term.

The actions highlighted within the plan have been developed around the principles of diversity, affordability, inclusiveness, sustainability, opportunity and security. In addition to the plan, a number of development sites have been identified to investigate their potential to supply affordable housing options.

Underpinning the objectives and strategies listed in this Plan, the following recommendations are based upon the findings from various workshops and discussions with key stakeholder groups:

1. The Peel Region Affordable Housing Plan to be endorsed by the Minister for Housing and Works.
2. The Peel Region Affordable Housing Plan to be adopted by local governments and State Government departments.
3. The Peel Region Affordable Housing Plan's actions to be implemented through partnerships between government and the private sector by designated timelines.
4. The Peel Region Affordable Housing Plan process to provide a template for the development of affordable housing strategies within other WA regions.
5. Appropriate resourcing to be provided for coordination of the Peel Affordable Housing Plan and for implementation of demonstration projects.

The Peel Region Affordable Housing Steering Group is committed to ensuring that the Peel Region Affordable Housing Plan is adequately monitored, to measure and record changes over time, and that it remains appropriate to the needs of the region.

Introduction

“Affordable housing is crucial to a country and its people. Without it, people are impoverished, families and communities eroded, jobs lost, the economy weakened, and the environment damaged”.¹

The Peel Region’s State Government Agency Leaders’ group has identified limitations in affordable housing in Peel region and the consequent impacts on a range of areas including family and community wellbeing, tourist accommodation, employment and skills shortages².

The Region’s local governments and peak bodies including the Peel Community Development Group have confirmed that addressing the issue of affordable housing is a regional priority.

Research undertaken by the Peel Development Commission found that public housing is gradually declining as a principal means of assisting residents to access affordable housing in the Peel Region. The total stock of public housing as a percentage of total housing stock in the Peel declined from 2.6% in 2002 to 2.1% in 2006. While there has been a net increase in overall stock relative to the rest of WA, public housing in the Peel Region has failed to keep pace with regional population growth.

Real expenditure on Western Australian public housing declined by 25% between 1995-96 and 2004-05. Public housing stock as a percentage of total housing stock has declined from 5.6% in 1996 to its current level of 4.4%. In contrast, real expenditure on direct subsidies to low-income private rental households increased by 7.8% over the same period.³ This is in part due to a broader Commonwealth-State funding and policy framework that is shifting resources away from the supply of public housing to one of using the private rental system through Commonwealth Rent Assistance (CRA) to provide direct subsidies to eligible low-income households.

However, as private rents have risen, CRA has struggled to preserve affordability. Rents in Mandurah increased by 37% between 2003 and June 2006. CRA in 2003 represented 34% of Mandurah’s median rent. That figure had fallen to 27% by June 2006.

Peel is a rapidly growing region and recent population gains are not confined to Mandurah. Adjacent shires are all experiencing the ripple effect of sustained trends in migration.

For the Peel to continue to grow and be an attractive, safe and harmonious environment, the housing needs of the Region’s increasing and diverse population must be met. This can be addressed by ensuring diversity of housing types for the many people – young families, seniors and young adults wanting to make Peel their home.

This housing will need to be located within easy reach of facilities and services including efficient public and private transport links. Access to good housing, a range of services and employment opportunities is the key to the development of healthy, mixed and balanced communities.

- 1 Julian Disney, Director of the Social Justice Project at the University of NSW
- 2 Affordable Housing in the Peel Region - A Background Paper for the Peel Region State Agency Leaders Group 18th Nov 2005

- 3 Report on Government Services 2007

Introduction

The Peel Region

The Peel Region is located immediately south of Perth and lies between the metropolitan area and the South West region. Five local government areas are incorporated in the Peel Region: the City of Mandurah and the Shires of Boddington, Murray, Serpentine-Jarrahdale and Waroona.

Peel covers an area of about 5,640 square kilometres, including 137 square kilometres of inland waterways. The Region is geographically diverse with coastal areas, river systems, an expansive estuary, multiple dams, agricultural and horticultural land. Its economy is predominantly based on mining and manufacturing although retail, construction, tourism, agriculture and fishing also make valuable contributions.

Vision

The Peel Region Affordable Housing Steering Group will influence and deliver affordable housing options within mixed and balanced communities.

This will occur through interaction and dialogue with all levels of government and industry to facilitate a diversity of housing type and tenures that are appropriate to the future needs of the Region.



FIGURE 1: The Peel Region by Local Government boundary

Source: Peel Development Commission

Introduction

Principles to achieve the Vision

Affordable housing and how to plan and supply enough of it in any region is a complex issue that concerns all levels of government and the non-government sector.

A range of accessible and appropriate housing is vital to all communities. If supply dries up due to sudden changes in demand, substantial economic and social impacts can arise. There is significant research to demonstrate direct links between good, secure housing and positive outcomes for education, health and wellbeing.

Similarly, the link between the supply of affordable housing and labour market shortages is one of the ways in which the chronic instability of housing markets can impact on the efficiency of economies⁴. Across Australia the greatest numbers of those facing affordability problems are people vital to local economies and social capacity – sales assistants, road, rail and transport drivers, carers, nursing professionals and hospitality workers.

The Peel Region is currently experiencing the effects of unprecedented and sustained population growth and the resultant pressures on the housing market. Affordable housing for key worker groups is currently in short supply and strategies are required in the short, medium and longer term to alleviate the housing affordability issue.

To achieve an effective flow of affordable housing within Peel and other communities several key components are required.

These six components provide the principles of the Peel Region Affordable Housing Plan and are integral to its objectives and actions.

They include:

DIVERSITY –

dwellings of a form which are appropriate for a range of different users. Dwellings which are flexible to changing needs and circumstances.

AFFORDABILITY –

dwellings which are affordable, accessible and appropriate for all income ranges.

4 Are housing affordability problems creating labour shortages: AHURI Bulletin June 2006



INCLUSIVENESS – housing which helps build or maintain community and the local economy. Urban and regional locations which do not exclude or divide.

SUSTAINABILITY – housing of a form which reduces energy and water consumption; promotes long term cost savings.

OPPORTUNITY – enabling people to relocate without limiting employment, educational or health care opportunities. Expanding home ownership opportunities.

SECURITY – security of tenure across tenures and communities which instill a sense of safety and security.⁵

⁵ Creating a Contemporary Social Housing System Terry Burke 2005

3

Introduction



Key Objectives

New housing opportunities will be delivered through:

- The development of an Affordable Housing Plan for the Peel Region, which provides guidance to all levels of government, commerce, industry and community on priorities and actions for optimising the match of housing and demand in the short, medium and long term.
- The identification of specific opportunities to increase the supply of affordable housing arising from developments associated with the Southern Suburbs Rail, other infrastructure projects and the economic development of the region.



Introduction

Key Housing Priorities

A number of key implications should be considered in planning for household growth and change in the region. These include the need to:

- understand housing preferences and the housing market
- promote a diversity of housing types to achieve a range of housing cost and tenure to meet emerging need
- deliver integrated affordable housing across all local government areas in the Peel Region
- provide options for people to age close to their communities
- ensure services and facilities are available to support household growth, particularly in meeting the needs of an ageing population
- investigate the future role of caravan parks throughout the region in providing affordable housing options
- enhance access to employment by sustainable transport modes
- match physical and social infrastructure to population growth
- recognise the significant role lifestyle contributes to the community as a driver of housing choice
- Promote a range of affordable housing options for young adult households.



Affordable Housing Opportunities and Challenges

- There is an opportunity for Government and the private sector to establish partnerships to deliver affordable housing solutions
- There is an opportunity to identify existing land in the Peel Region including greenfield and brownfield sites for affordable housing
- There is an opportunity to facilitate the inclusion of affordable housing in the broader policy context
- This Peel Region Affordable Housing Plan identifies the challenges the Region faces in managing change and accommodating the projected population and household growth
- There is a challenge to provide sufficient affordable housing for current and future need in the Peel Region
- There is a challenge to manage housing growth in the Peel Region that is sensitive to the impacts on the environment
- There is a challenge to preserve existing caravan sites and provide alternative sites for caravan parks in the Region
- There is a challenge to ensure adequate resourcing to achieve actions and eliminate the possibility of cost shifting
- There is a challenge to reduce the concerns surrounding higher housing densities

Building an Affordable Housing Plan

Peel Region Affordable Housing Steering Group

The Peel Region continues to be one of the fastest growing areas in Western Australia and the City of Mandurah one of the fastest growing regional urban centres in Australia. This rapid population growth has created ongoing shifts in housing affordability, an issue identified by the Peel Region's State Government Agency Leaders' group in late 2005.

The Region's Local Governments and peak bodies including the Peel Community Development Group confirmed that addressing affordable housing issues was a regional priority. In response to these housing affordability issues, a Steering Group was formed in late 2006 and endorsed by the Minister for Housing and Works Hon Michelle Roberts MLA.

The Hon Dr Sally Talbot MLC, Member for South West is Chair of the Peel Region Affordable Housing Steering Group (PRAHSG) responsible for the development of an Affordable Housing Plan for the Peel Region. Objectives of the Plan include identifying specific opportunities to increase the supply of affordable housing through major infrastructure projects such as the Southern Suburbs Rail.

The following agencies and organisations have been represented on the PRAHSG:

Peel Community Development Group (PCDG)

City of Mandurah (CoM)

Shire of Boddington (SoB)

Shire of Murray (SoM)

Shire of Serpentine-Jarrahdale (SoSJ)

Shire of Waroona (SoW)

Shelter WA

Department of Housing and Works (DHW)

Department for Planning and Infrastructure (DPI)

Department for Community Development (DCD)

Peel Development Commission (PDC)

Landcorp

Caravan Park Tenants Group (CPTG)

Public Transport Authority (PTA)

Caravan Industry Association (CIA)

The Peel Development Commission provides executive support for the PRAHSG.

Picture of PRAHSG members

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The following individuals or organisations were invited to attend or made presentations to the Steering Group.

Professor Fiona Haslam-McKenzie

Australian Housing and Urban Research Institute (AHURI -WA)

Professor Peter Newman

Institute for Sustainability and Technology Policy

Stephen Cummins

Peel Development Commission

Alan Edgar

UK Chartered Planning Consultant

Karl White

Cedar Woods Properties Limited

Judy Harley

Urban Development Institute of Australia (UDIA-WA)

Gavan Forster

Master Builders Association (MBA-WA)

Lino Iacomella

Property Council of Australia (PCA-WA)

Kathleen Gregory

Foundation Housing (FH)

Kaz Sternberg

Access Housing (AH)

Keith McQueen

Bendigo Bank (BB)

Housing Industry Association (HIA-WA)

Real Estate Institute of Western Australia (REIWA)



Building an Affordable Housing Plan

Regional Profile

TABLE 1: FACTS AT A GLANCE

Key Indicators	Peel	WA
Population:	89,506	2,059,045
Population Average Annual Growth Rate (2001-2006):	3.2%	1.6%
% of persons over 54:	31.3%	22.5%
% of persons under 15:	19.5%	19.9%
Labour force:	38,600	1,109,256
Unemployment Rate:	4.2%	3.3%
Mean Taxable Income:	\$41,441	\$42,964
Own/purchasing a home	71%	65.3%
Renting a property	20.2%	26.0%
Main industries:	mining, mineral processing, manufacturing, building and construction, agriculture, tourism and retail.	
Gross Regional Product:	\$4.4 billion (3.7% of Gross State Product)	
Visitor numbers:	454,500 per year (6.1% share of WA visitors)	
Environmental features:	Peel-Harvey Inlet, Yalgorup Lakes, Lane Pool Reserve, Unique wetlands protected by international treaties.	

Source: Peel Development Commission

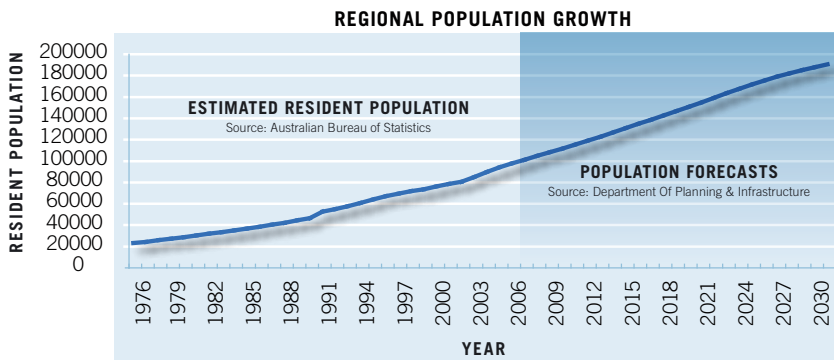


CHART 1: Regional population growth 1976 – 2031

Source: Australian Bureau of Statistics and Department of Local Government and Regional Development

The Peel Region incorporates the local governments of Boddington, Mandurah, Murray, Serpentine-Jarrahdale and Waroona. The Region has experienced a number of significant changes over the last few years and will continue to be influenced by a complex fusion of factors moving into the next decade. The combination of burgeoning employment opportunities, land and housing developments, new freeway links, the upcoming passenger rail service and the Perth to Bunbury highway have resulted in substantial increases in populations in the Peel.

The Peel continues to be the fastest growing region in Western Australia with the population increasing by 4.6% totalling 95,000 residents between 2001 and 2006. This is double the State average growth of 1.5%.

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The population growth in Peel brings opportunity for new businesses, economic growth and employment for local residents as well as challenges for community and economic infrastructure and environmental protection.

Economic activity in the Peel was valued at \$4.4 billion in 2005-06. The Region was the fourth largest contributor to the WA Regional economy and accounted for 3.7% of the Gross State Product. As the third fastest growing regional economy in the State, the Peel will continue to develop as a diverse and sustainable driver of Western Australia's economic growth.

The Region remains vulnerable to economic downturns; however its growth is strongly linked to resources and residential developments, both of which are cyclical in nature.

According to Department for Planning and Infrastructure data there has been strong growth from about 1986 onwards. The majority of the population is centred in or is close to the City of Mandurah, followed by Serpentine Jarrahdale, Murray, Waroona and Boddington.

It is anticipated that the Shires will play a more prominent role in the future growth which will result in Mandurah growing as the regional centre servicing this increase in regional population.



From 2006, the 5 year annual average growth rate of the 0 to 19 age group in Peel is estimated at 2.2% which is above the State figure of 0.6%. The 55 years and over age group 5 year annual average growth rate was 4.7% and above the State estimate of 3.2%. There is a continuing need to plan for affordable housing to meet these high growth age groups.

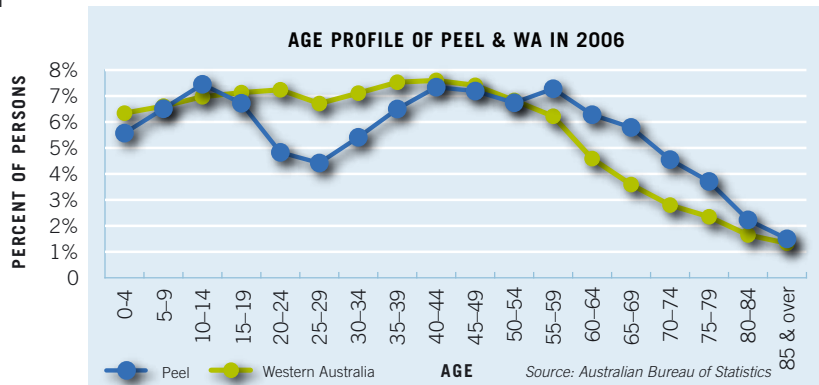


CHART 2: Age Profile of Peel & WA in 2006

Source: Australian Bureau of Statistics

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Policy and Planning Context

Diminishing affordability represents a significant challenge to Western Australia's housing system. The current housing cycle has taken the market into new territory in terms of house and rental values. In regional areas driven by resources activity or sea and tree change growth, housing affordability is also a challenge to economic growth as key workers are confronted with high rental values.

Those on low to moderate incomes who are not homeowners - particularly seniors, people with disabilities, migrants, Indigenous people and young adults - have been affected by this significant property growth especially in the five years to 2006.

Policy responses are primarily delivered through a combination of Commonwealth and State initiatives. Both levels of Government participate in the Commonwealth-State Housing Agreement, which delivers social housing programs. The Commonwealth also provides rent assistance for low and moderate-income households to access affordable housing in the private rental market. For first homebuyers it provides the First Home Owner's Grant. Other levers influencing the housing system and overseen by the Commonwealth include tax arrangements such as the capital gains tax-free status of the family home and negative gearing for investment properties.



The WA State Government has responded to recent affordable housing issues in the 2007 State Budget through a combination of strategies including significant tax relief for first homebuyers who will not be required to pay stamp duty for homes costing up to \$500,000 and for allotments costing up to \$300,000.

In addition, the State Government embarked on a significant four-year capital works program to keep the social housing system sustainable and provide the impetus for expansion. The Government has committed an extra \$416.7 million to affordable housing through the Department of Housing and Works over the period including \$210 million to be directed to community housing programs.

The State Government has recognised community housing's potential to bring new finance and housing into an expanded social housing system. This is primarily due to the sector's ability to attract rent assistance for its customers and tax concessions for new development. Additional funding in the next four years is conditional on effective regulation of the sector and also on the investment being used to assist in the management of the public housing waiting list.

Building an Affordable Housing Plan



The new *First Start* scheme, announced by the State Government in February 2007⁶, will deliver affordable shared equity home loans over the next three years. About \$900 million will be committed to the program including \$300m in shared-equity home purchases and \$600m in State-financed low-deposit home loans. This will ensure home ownership opportunities for up to 3,000 Western Australian households during that time.

Other recent developments relevant to affordable housing include:

- The new *Residential Parks (Long-Stay Tenants) Act 2006* commenced in August 2006. The Act regulates the relationship between an owner of a residential park and a tenant balancing the needs of residents for greater security of tenure while supporting the maintenance of existing and development of new residential parks; and
- The current review of the *Retirement Villages Act 1992*. The review will examine the operation and effectiveness of the Act, the Regulations and the Code in regulating the retirement village industry.

National initiatives: A National Housing Agreement

In July 2007, Western Australia along with all other States and Territories indicated their support for the development of a new National Housing Agreement. Such an agreement would:

- secure the viability of the social housing system, prevent further declines in stock and provide sustained investment for upgrading and replacing social housing;
- re-introduce growth in the supply of government-subsidised rental housing;
- improve housing affordability for private renters through reform of the Commonwealth Rent Assistance to improved targeting and encourage increases in the supply of affordable rental housing;
- improve access to affordable home ownership by establishing a nationally co-ordinated shared equity scheme, targeted at low to moderate income households seeking to access home purchase and improve targeting of the First Home Owners Grant;
- increase the supply and distribution of affordable housing through new development and redevelopment projects by introducing planning instruments that allow State and Territories to support affordable housing; and
- improve housing opportunities for Indigenous people by providing additional funding to secure the viability of the indigenous-specific social housing sector, including growth in the supply of affordable rental housing for indigenous households.

Development of such an agreement will continue to be negotiated with the Commonwealth Government.

⁶ <http://www.keystart.com.au/key/SharedEqPressRel.pdf>

Building an Affordable Housing Plan

Network City: A Planning Strategy for Perth and the Peel Region

Network City: A Planning Strategy for Perth and the Peel Region highlights key elements of planning for the future of Perth, Mandurah and Murray including:

1. Spatial plan and strategy
2. Implementation: governance and process
3. Planning for a liveable city
4. Economy and employment
5. Environment and heritage
6. Transport
7. Infrastructure co-ordination.

Three supporting strategies under Network City are particularly applicable to the development of the Peel Region Affordable Housing Plan.

They are:

- Strategy 3.6: Adopt a “place management” approach to major development projects and planning initiatives that allows for a focus on local issues and local solutions.
- Strategy 3.8: Develop initiatives to increase affordable housing, including public housing and community housing in locations with high accessibility to facilities and services, including public transport.
- Strategy 3.9: Promote and facilitate increased housing diversity to match the changing needs of the Perth population in locations which provide equitable access and lifestyle opportunities.

The Peel Region Scheme (PRS) is a large strategic planning scheme which guides land use in the Peel Region. This area includes the local government boundaries of the City of Mandurah and the Shires of Murray and Waroona.

The Shire of Serpentine Jarrahdale is a part of the Metropolitan Region Scheme (MRS) and requires its local government town planning schemes to be consistent with the MRS.

The Shire of Boddington is primarily governed by its Local Town Planning Scheme (TPS) but continues to have significant linkages with the PRS.

Both Region Schemes define the future use of land, dividing it into broad zones and reservations. It requires local government town planning schemes to provide detailed plans for their respective parts of the Region.

Land release coordination

A Land Summit was held in June 2006 initiated by the Minister for Planning and Infrastructure to discuss concerns relating to the availability of residential lots in Metropolitan Perth and Peel.

Arising from the Land Summit, Cabinet appointed a Land Release Coordinator to expedite approvals, recommend process improvements, liaise with the development industry and report on findings. A range of actions have emerged from this report including:

- \$21.1 million over the next four years to develop an electronic Land Development Process (eLDP) which will allow tracking of the government approvals process to help ensure that relevant agencies meet timelines for subdivision approvals;
- reducing the timelines for clearances of subdivision conditions with the aim of bringing average timeframes from the current 10 or more months down to six months;

Building an Affordable Housing Plan

- establishing a Ministerial Council for land and housing supply to prioritise land and housing development and to ensure a coordinated approach across government; and
- appointing an urban land development coordinator to expedite and streamline approvals for large land divisions.
- To manage the growth and development of urban areas in response to the social and economic needs of the community and in recognition of relevant climatic, environmental, heritage and community values and constraints.
- To promote the development of a sustainable and liveable neighbourhood form which reduces energy, water and travel demand while ensuring safe and convenient access to employment and services by all modes, provides choice and affordability of housing and creates an identifiable sense of place for each community.
- To coordinate new development with the efficient, economic and timely provision of infrastructure and services.

Other Key Planning Mechanisms

Residential Design Codes

The codes provide a comprehensive basis for the control, through local government, of residential development. They are intended to cover all requirements for planning control purposes and to minimize the need for councils to introduce separate planning policies or variations. The codes do not address the physical construction requirements or the internal arrangements of buildings – these are matters controlled by the Building Codes of Australia.

Statement of Planning Policy 3 Urban Growth and Settlement

This policy sets out the principles and considerations which apply to planning for urban growth and settlements in Western Australia.

The objectives of this policy are:

- To promote a sustainable and well planned pattern of settlement across the State, with sufficient and suitable land to provide for a wide variety of housing, employment, recreation facilities and open space.
- To build on existing communities with established local and regional economies, concentrate investment in the improvement of services and infrastructure and enhance the quality of life in those communities.

Planning Bulletin 83 Planning for Tourism

The bulletin sets out an interim policy of the WA Planning Commission to implement the recommendations of the Tourism Planning Taskforce. The interim policy will guide decision making by the WAPC and local government on subdivision, development and scheme amendment proposals for tourism purposes in the short term while planning mechanism are being established including the preparation of a state planning policy.

This planning bulletin is relevant to the future provision of tourism facilities including caravan parks.

Building an Affordable Housing Plan

Key considerations; Major planning and infrastructure initiatives underway in the Peel Region

Caravan Park closures

Caravan parks and camping grounds traditionally have been the pioneer tourism use along the coast and in other scenic areas of the State, but they also have an important role to play in providing affordable housing for long-term residents.

Three permanent resident sub-groups live in caravan parks; older people who choose caravan park living as their primary form of housing for lifestyle reasons; people who travel with work and do not wish to tie themselves to any one residency; and people who are unable to access other forms of housing either in the private, public or community housing sectors.⁷

In 2006, about 6,000 people lived in caravan parks, cabins or mobile homes in WA including 383 in the Mandurah statistical subdivision which includes Singleton, Mandurah, Yunderup and Pinjarra⁸.

There are 17 caravan parks currently in the Peel Region with 6 either closed or earmarked for closure and there is a trend towards the gradual withdrawal of permanent accommodation to long term tenants by caravan park owners to make way for seasonal holiday makers who pay a higher overnight rental rate especially during the peak season. This has put a further squeeze on the availability of low-cost housing in

the region. There are currently 806 permanent sites in the Peel Region⁹.

Furthermore, in recent years caravan parks in many locations including Peel have been subject to redevelopment pressures. Some facilities have already been replaced with residential developments providing challenges in re-housing long-term residents. A lack of replacement facilities also has implications for the tourism industry as it can result in a reduction in accommodation diversity.¹⁰

A discussion paper on affordable housing in Mandurah prepared by Shelter WA in 2006 suggested that due to domestic violence or evictions and lack of housing choice, people in need of affordable housing were increasingly living in caravan parks. The Shelter paper discussed the trend of tenants in caravan parks having to make way for holiday makers around November of each year.

When people leave caravan parks they go to either Rockingham or Pinjarra. As a consequence those people who are vulnerable and in most need do not have any housing stability. A further outcome of living in caravan parks, people become unable to obtain rental references as payment for caravan parks do not require a lease. Hence people experience difficulty re-entering the private rental market.¹¹

The paper recommended the development of medium term housing for those in transition such as youth, men and women with families in crisis and singles. That medium term housing should consider a wide variety of housing such as caravan parks, boarding and lodging houses and community housing options.

7 Housing Risk among caravan park residents. Research Bulletin AHURI 2004

8 ABS 2006 Census

9 Caravan Industry Association WA Inc data Aug 2007

10 Tourism Planning Taskforce Report 2006

11 Shelter WA Mandurah's Housing Needs Discussion Paper 2006

Building an Affordable Housing Plan

The State Government has explored the range of issues shaping Western Australia's tourism industry and in particular land-use planning for tourism to ensure affordable and equitable access to the community's most valued holiday sites.¹²

Additionally, the steering committee is interested in exploring the availability of leasehold, reserve land for the establishment of new and replacement caravan parks in the future.

The Boddington Gold Mine

Since early 2006, the Peel Development Commission has chaired a key stakeholders taskforce assembled to identify regional infrastructure needs likely to result from re-opening of the Boddington Gold Mine (BGM). In February 2006 BGM announced commitment to a \$2b Expansion Project for the mine, and in June 2006 commenced installing an accommodation village to house the estimated 1500 construction personnel. Site works subsequently commenced late 2006 and are scheduled to be completed for commissioning late 2008. The mine has a 17+ year operational life requiring approximately 650 permanent employees.

Following mine site construction, the accommodation village is scheduled to be scaled down in capacity with employees encouraged to reside locally. Statistical projections indicate that Boddington's population will double to around 3,500 within three years, requiring up to 400 new residences and substantial infrastructure upgrades and developments.

Representatives of local Shires, relevant Government agencies, BGM and the Commission worked together as a committee to present a submission to Cabinet in October 2006 for infrastructure funding support. Consequently, the State Government has allocated \$9.55m for expenditure over three years, primarily for the Shires of Boddington, Murray and Wandering to address immediate needs. This funding also facilitated the PDC's appointment of a project manager and enables various needs assessment studies to be carried out, administered by the Department of Industry and Resources.

Additionally, Cabinet has directed that relevant Government agencies will budget to provide for applicable projects identified in the committee's submission. These provisions are estimated to total \$41m. Commonwealth Government funding may also be accessed for additional projects costing an estimated \$16m.

The Peel Region Affordable Housing Steering Group is monitoring the impact of the mine development on the provision for affordable housing.

¹² Tourism Planning Taskforce Report 2006

Building an Affordable Housing Plan

The Wagerup Refinery 3 Expansion (Pinjarra-Brunswick District)

The Pinjarra-Brunswick area is experiencing land use pressure fuelled by population growth and increasing demand for raw materials. The expansion of the mining and alumina industry and land availability are just some of the issues facing this district¹³.

Alcoa is also seeking to expand its operations at the Wagerup Refinery which is located in the Peel Region. It is expected the Wagerup Three expansion will create more than 1,500 construction jobs as well as 3,000 direct and indirect jobs, including 260 new permanent positions¹⁴.

There will need to be adequate planning by local and state government and key stakeholders to manage effectively the provision of appropriate and affordable housing to cope with the increased size of the workforce as a result of this large-scale expansion project.



FIGURE 2: Proposed town centre: Keralup master plan

Keralup (Formerly Amarillo)

Keralup is a 4,000 ha site acquired by the Department of Housing and Works in 1991 for future residential development. Located in the City of Rockingham and the Shire of Murray, it is 10km north of Mandurah and when fully developed will be the most significant single urban development project in the Southern Metropolitan area. Keralup will ultimately become a state of the art, fully integrated urban community that will eventually house up to 90,000 people. This development will impact significantly upon the ability of surrounding local governments to adequately cope with the increased urbanisation in the Peel Region.

The development will provide a 25 to 30 year land supply and a variety of housing product that will play a significant role in maintaining housing affordability. A transport boulevard will run north south through the development linking the Town Centre and providing for further employment and mixed-use opportunities for residents.

¹³ Delivering on the Pinjarra-Brunswick Sustainability Strategy Dec 2006

¹⁴ http://www.alcoa.com/australia/en/info_page/WAG_home.asp

Building an Affordable Housing Plan



Public transport will feature strongly at Keralup; the design links Keralup directly to the proposed Karnup station and a transit boulevard forms the spine of the development area. The size of Keralup will provide self contained employment opportunities which will be further enhanced through the strong relationships the area will have existing and potential employment centres at Rockingham, Kwinana and Mandurah.

In 2007, DHW will proceed with strategic studies, including strategic environmental assessment, integrated transport, regional planning and infrastructure provisions. In 2009, DHW will proceed with an MRS Amendment, Local Scheme Amendment and Structure Plans. In 2011, DHW will lodge an application for subdivision. DHW affordable housing policies (p.32) will apply in the development of this exciting and vibrant new town in the southern corridor.

Southern Suburbs Rail

New Metro Rail which includes the Southern Suburbs Rail project is the largest public transport infrastructure project ever undertaken in WA. It will double the existing rail network and extend from Clarkson in the north of Perth to Mandurah. Mandurah station will be located on the north-west corner of the intersection of Allnutt Street and Fremantle Road.

It will be the terminal station for the train line and will be connected to the city centre by local feeder buses. Services are expected to begin in 2007 with a projected patronage of 3,400 boardings per day. Travel time to Perth will be 48 minutes.

FIGURE 3: Mandurah Station: artist's impression



Building an Affordable Housing Plan

New Perth-Bunbury Highway

The New Perth-Bunbury Highway Project will complete the high standard inter-regional road link between Perth and the South West. The Kwinana Freeway Extension, together with the Peel Deviation, will for the first time provide Western Australian motorists with a continuous dual carriageway from Perth to the South West.

The 70 km of new road will extend the dual carriageway from Kwinana Freeway at Safety Bay Road, around the eastern side of the Peel Inlet and Harvey Estuary to join the existing dual carriageway on the Old Coast Road near Lake Clifton.

The highway will be constructed to a freeway standard from Safety Bay Road to Pinjarra Road with the remainder of the route being built as a rural highway. In the future as traffic demands increase, the highway will be upgraded to a freeway standard for its entire length.

Interchanges will be constructed at Safety Bay Road, Karnup Road, Paganoni Road, Lakes Road and Pinjarra Road.

The New Perth-Bunbury Highway project provides an opportunity to expand capability within the Peel and South West regions by maximising the involvement of local and regional industry and creating local employment opportunities.

Tonkin Highway extension

Serpentine Jarrahdale is currently experiencing an explosive growth period which is expected to continue in coming years, with forecasts of 60,000 residents by 2021.

One key development cell earmarked for future urban expansion is the Mundijong/Whitby site, which will see the estimated population grow from the current 1,700 people to over 40,000 people over the next 30 years.

The urban village of Byford will house an estimated 35,000 people. District structure planning for Byford was completed in August 2005 and the subsequent rate of land development has outstripped all forecasts, with approximately 600 lots being released per annum.

With such a rapid growth in residential developments and increased urbanisation of the major towns in Serpentine Jarrahdale, there is an opportunity to develop diverse and affordable housing for new and existing residents of the Shire.

The most critical infrastructure priority in the Shire is the extension of the Tonkin Highway through to the South West Highway, by-passing the Byford and Mundijong urban cells. It is anticipated that this proposed extension will have a catalyst effect on the surrounding land in terms of future growth.

The extension of Tonkin Highway is expected to:

- facilitate the downgrading of South West Highway through the Byford Town Centre;
- provide for the retention of the character of South West Highway;
- relieve freight traffic through Byford Town Centre resulting in a more desirable planning outcome;
- provide traffic calming and safer crossing points on the South West Highway for the local community; and
- enhance opportunities for industrial and residential development in the area.

Building an Affordable Housing Plan

Mandurah Central Revitalisation Study

The Mandurah Central Revitalisation Study was progressed by a Redevelopment Taskforce comprising representatives of the City of Mandurah, DPI, LandCorp, Peel Development Commission and the Peel Region Chamber of Commerce.

The plan addresses traffic and parking, urban design guidelines, foreshore, public space and road improvements, land use and opportunities for retail/office expansion. It focuses on the Mandurah waterfront and emphasises economic development and private sector investment, supported by a program of public works to be carried out over the next 10 years.

Preston Beach Development

Investigations are underway regarding the expansion of the 400 lot community at Preston Beach. Strategic documents previously supported an addition of approximately 1200 lots to the coastal village but the scale of development is being reviewed as part of the preparation of the Preston Beach Townsite Strategy. Consideration of the extent of affordable housing and the mechanisms to achieve it will form part of the Strategy, which will ultimately be adopted by the Shire of Waroona and the Western Australian Planning Commission. It will be 3-5 years before any new lots are created in Preston Beach.

Housing Trends in the Peel Region

Housing Affordability from 1996 to 2006

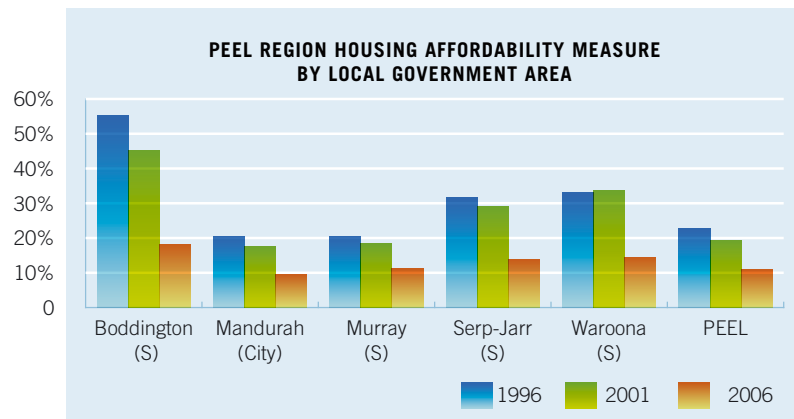
Similar to other parts of Australia, the Peel Region has experienced a decline in housing affordability over the last decade. In 1996, annual median household income represented 22.7% of the median house price in the Peel Region. By 2006, this proportion was more than halved down to 10.8%.

TABLE 2: Housing Affordability Measure* in the Peel Region by Local Government

Local Government Area	Housing Affordability Measure*		
	1996	2001	2006
Boddington (S)	55.3%	45.3%	18.2%
Mandurah (City)	20.5%	17.5%	9.5%
Murray (S)	20.4%	18.3%	11.1%
Serp-Jarr (S)	31.8%	29.0%	13.7%
Waroona (S)	33.0%	33.7%	14.5%
PEEL	22.7%	19.4%	10.8%

Source: Developed by Peel Development Commission using Australian Bureau of Statistics, REIWA Unpublished data

CHART 3: Housing Affordability Measure* in the Peel Region by Local Government



* Annual Median Household Income as a proportion of Annual Median House Price

Source: Developed by Peel Development Commission using Australian Bureau of Statistics, REIWA Unpublished data

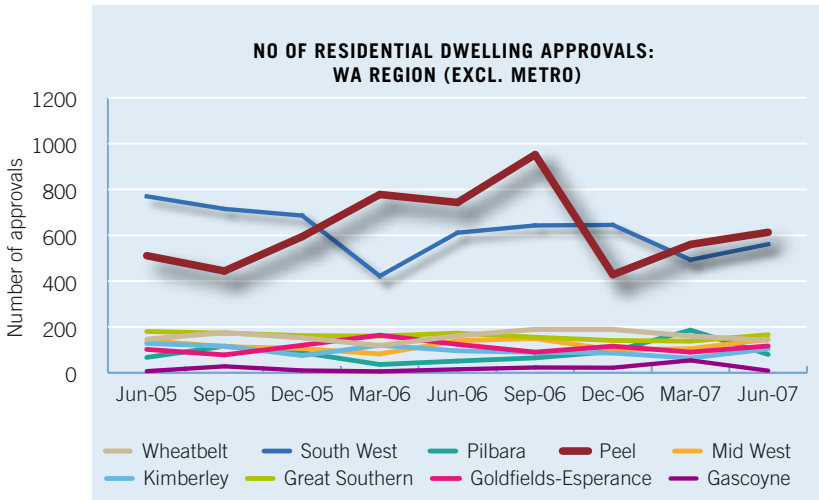
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Building an Affordable Housing Plan

Residential Dwelling Approvals

The Peel Region has trended upwards to have a higher number of residential dwellings approvals from the September quarter 2005 onwards. At 32% the Peel Region continues to have the highest number of residential approvals in Regional Western Australia.

CHART 4: No of Residential Dwelling Approvals: WA Regions (excl. Metro)



Source: Australian Bureau of Statistics

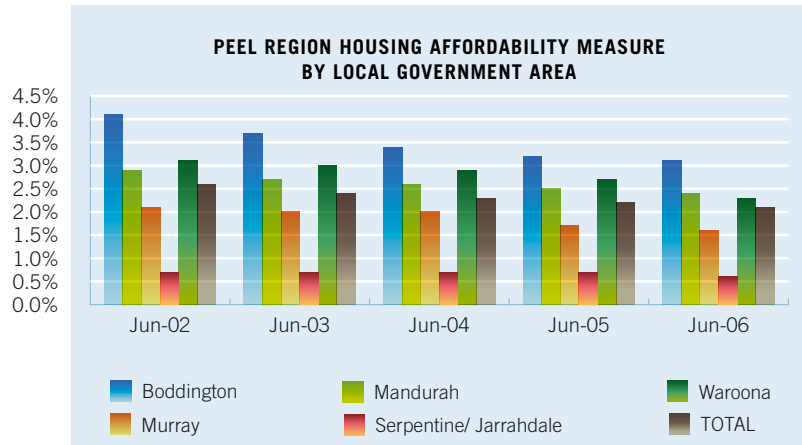
In the year to June 2007, the value of residential building approvals totalled \$659.0 million, a 44% increase over the previous year.



Public Housing in the Peel Region

Public housing is gradually declining as a principal means of assisting residents to access affordable housing in the Peel Region. While there has been a net increase in stock relative to the rest of the State, public housing has failed to keep pace with the Region's population growth.

CHART 5: Peel Region Housing Affordability Measure by Local Government Area



Source: Australian Bureau of Statistics

Building an Affordable Housing Plan



TABLE 3: Median Rent for City of Mandurah by Quarter

City of Mandurah	Houses		Units	
	Median Rent	% Change Previous Qtr	Median Rent	% Change Previous Qtr
Dec-06	\$220	7.30%	\$200	5.30%
Sep-06	\$205	2.50%	\$190	1.10%
Jun-06	\$200	-4.80%	\$188	4.40%
Mar-06	\$210	11.70%	\$180	12.50%
Dec-05	\$188		\$160	

Source: Real Estate Institute of Western Australia – unpublished data

In relation to each of the Shires and City, all have experienced significant increases in the median house price between 2005 and 2006.

TABLE 4: Median house price by Peel Local Government Area

Local Government Area	2006-2007 Median
Boddington (S)	\$313k 76%
Mandurah (City)	\$445k 27%
Murray (S)	\$405k 42%
Serp-Jarr (S)	\$465k 37%
Waroona (S)	\$345k 47%

* Annualised median house price

Source: Real Estate Institute of Western Australia – unpublished data

Housing Cost and Affordability

According to research

Figures from the Real Estate Institute of Western Australia show that in December 2005 the average rental for a three bedroom house in Mandurah was around \$190 per week. By the end of December 2006 this increased to \$220 per week – an increase of over 17% in one year.



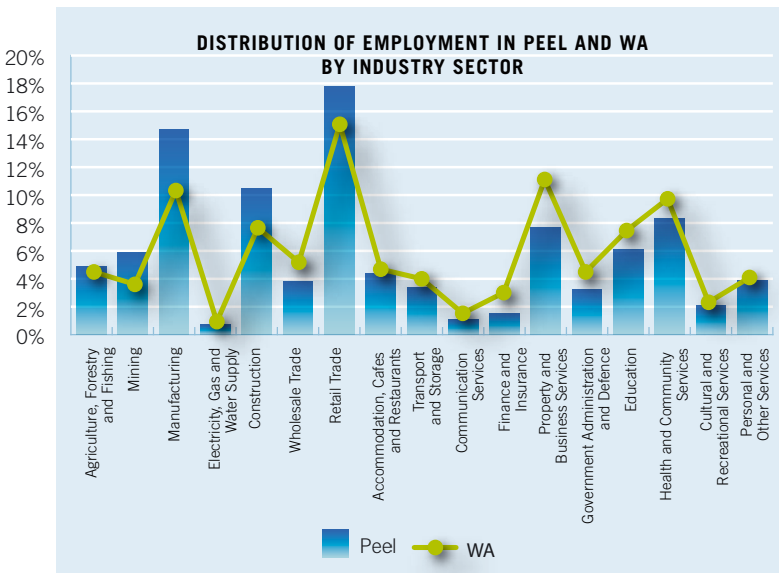
Building an Affordable Housing Plan

Housing and Employment

Research conducted by the Australian Housing and Urban Research Institute suggests that there is some linkage between the lack of affordable housing and shortages of labour in particular sectors of the economy¹⁵.

For example, comparatively lower paid jobs in retail and hospitality such as wait staff and cleaners may find it more difficult to live and work in the Peel Region under current housing conditions. Given the current economic climate and already tight labour market the Peel Region’s move towards becoming a more sustainable economy could be limited if affordable housing for these key workers is not available.

CHART 6: Distribution of Employment in Peel and WA by Industry Sector



Source: Australian Bureau of Statistics

15 AHURI Are housing affordability problems creating labour shortages, June 2006

Potential demonstration projects

A working party has been created from Steering Group members to examine the second key objective of the Peel Region Affordable Housing Plan:

The identification of specific opportunities to increase the supply of affordable housing arising from developments associated with the Southern Suburbs Rail, other infrastructure projects and the economic development of the region.

The working party is particularly interested in exploring sites that:

- Offer potential for a range of affordable housing options and other uses;
- Are located close to public transport systems;
- Are well connected to key services such as education and health centres
- Are well connected to employment centres;
- Will foster a sense of community and a sense of place.

The working party has already identified and investigated a number of sites in the Peel Region close to transport and services that have the potential to include affordable housing as part of a mixed use development.

Sites within easy reach of stations along the Southern Suburbs Railway are of particular interest. These locations will provide an opportunity to demonstrate the wider potential of providing affordable housing within transit zones. Transit oriented developments remains a priority in this plan.

The working party will also investigate the potential of sites that may become available in future as part of any further development of the Southern Suburbs Railway.

Building an Affordable Housing Plan

Engagement of Private Land Developers

Several local private developers were interested in learning more about affordable housing and how they may be able to incorporate affordable homes within future developments.

Some discussion on innovative house and land designs were presented to the PRASHG. Cedar Woods Y-Rent¹⁶ house and land packages for first home buyers priced under \$300,000 in early 2007 was a good example of integrating grants, affordable loans and construction for eligible buyers.

Engagement of Local Councils

The support of local councils through the affordable housing planning process is a vital ingredient to successful housing and broader community outcomes.

Within the Peel Affordable Housing Planning process, local governments have an opportunity to explore direct or indirect mechanisms that may promote new affordable housing or protect existing housing.

Direct levers include the actual provision of housing acting individually or in partnership with others, for example community housing, emergency housing, and supported accommodation. Indirect levers relate to the role local government plays in facilitating and encouraging the provision of housing by others.

These levers include housing research and policy development, strategic and land use planning, including identifying land for housing development, building regulations and the application of planning and development controls.¹⁷

¹⁶ Cedar Woods media release 17th April 2007

¹⁷ Ann Bennison Australian Local Government Association Address to the National Housing Conference 2005



Building an Affordable Housing Plan

Councils may decide to promote particular forms of housing, such as projects directed to low and moderate-income households, actively by offering incentives for those that meet set criteria. For example, a council could develop a framework for 'affordable housing projects' that offers a package of incentives (such as density bonuses, concessions for development standards, or rate relief) for eligible projects.

Planning approaches may range from protecting existing sources of affordable housing to promoting new sources of affordable housing and producing new affordable housing.¹⁸

Councils supporting Affordable Housing programs

Waverley Council, NSW

In New South Wales, Waverley Council's Affordable Housing Program offers a voluntary density bonus to developers who provide affordable housing as part of their residential development. A bonus is offered only to projects where the increased density can be accommodated within a building in a manner that will not compromise the environmental amenity of the surrounding area.

The affordable housing units can be provided in perpetuity (that is permanently) or for a specified time, with rent capped at well below market rent. The council owns units that are provided in perpetuity. Rent-capped units are owned by the private developer, or private owner, and leased to council for a capped rent lower than market rent for a specified time. Once procured the units are managed by a non-profit community housing organisation on behalf of the council. Since the inception of the scheme in 1999 Waverley Council has procured 27 properties

of which 13 are owned in perpetuity and 14 are rent capped.¹⁹

City of Port Phillip, VIC

In Victoria, a unique partnership was forged between the City of Port Phillip and the Port Phillip Housing Association. Under the partnership, the council develops housing policy, provides capital funding and undertakes project management. Port Phillip Housing Association undertakes property and tenancy management. The City of Port Phillip's community housing program is the largest local government housing program in Australia. Achievements of the program include the provision of 389 units for 460 people in 17 projects. About 36% of the units are for older people, 19% for families and 33% for singles wanting rooming house accommodation. Projects have ranged from six to 56 units. In addition the council has entered into a 245 unit joint venture with a private developer involving mixed private and social housing.²⁰

City of Subiaco, WA

In Western Australia, the City of Subiaco has established a social housing policy supporting the development of initiatives that provide affordable housing to people on low to moderate incomes and people with special needs. In support of the policy commitment, the City's Social Housing Reserve was established in 2001-02 with \$125,000 set aside to implement affordable housing initiatives. Similar funds have been added to the reserve in each subsequent financial year. The Council has also conducted a survey of sites that are not in private ownership to identify those with the greatest potential to be redeveloped for affordable housing purposes.²¹

18 International practice in planning for affordable housing positioning paper AHURI Gurrán Milligan Baker Bugg August 2007

19 Waverley Council: www.waverley.nsw.gov.au

20 City of Port Phillip www.portphillip.vic.gov.au

21 City of Subiaco www.subiaco.wa.gov.au

Building an Affordable Housing Plan

Willoughby Council, NSW

Willoughby council in Sydney has a mandatory scheme to collect developer contributions for affordable housing when a residential rezoning is approved. The scheme is enforced through the main planning instrument (Willoughby Local Environmental Plan 1995) which requires that four% of total floor space of a development on identified sites which are rezoned for residential purposes be dedicated to affordable housing. Contributions can be provided on site or as a cash equivalent. As at August 2006 the program had resulted in 10 affordable units, which were all provided as part of a single development.²²

Ipswich City Council, QLD

Ipswich City Council recently announced it would allow subdivisions of larger blocks without owners having to pay infrastructure charges. The model allows landowners to split their big blocks into two and save an average of \$20,000 on council fees. It is designed to enable families to subdivide a block for relatives or sell half their land to ease their mortgage. The final lots must be more than 450sqm and the policy applies only to serviced land in existing urban areas.²³

City of Salisbury, SA

In Adelaide's outer northern suburbs the City of Salisbury is working to add value to a State Government policy to achieve affordable outcomes. The South Australian Government has set a target for developers to ensure 15% of new larger estates are available for affordable housing. In addition the City of Salisbury has waived planning regulations to allow some houses in a new subdivision

to be built on blocks of 200-220sqm – less than half the standard size. This has assisted house and land packages to be produced for less than \$250,000²⁴.

Gold Coast City Council, QLD

The Gold Coast Housing Company was formed by the merger of two community housing organisations, Gold Coast Vision Housing Ltd and Gold Coast Community Housing Association Inc. It will receive \$15 million from the State Government and \$3 million from the Gold Coast City Council over the next three years to kickstart ventures aimed at increasing the supply of affordable housing to people on low incomes as well as the city's social housing stocks. The council is now looking at an incentive-based model to encourage developers to provide an affordable component within selected developments²⁵.

Wanneroo City Council, WA

In 2005 the Wanneroo City Council adopted a local housing strategy as a key component of the city's Smart Growth Strategy. Among the housing strategy's objectives:

- Ensure that an adequate supply of housing is provided particularly for first homebuyers; and
- Ensure that a wide range and choice of housing is provided to meet the changing social and economic needs of the community, and to understand the community's attitude to housing choice.

²² International practice in planning for affordable housing Positioning Paper AHURI Gurrin, Milligan, Baker, Bugg August 2007

²³ Courier Mail 18 August 2007 Block-splitting costs cut to ease home crisis

²⁴ Australian 20 August 2007 Homebuyers think inside the box Couriermail.com.au June 2007

²⁵ Couriermail.com.au June 2007

Building an Affordable Housing Plan

Establishing future housing delivery models that are sustainable and perpetually affordable

Community Housing

Community Housing plays an important role in the provision of housing assistance to low income West Australians. It originated in the 1970s as a more responsive community-based approach to housing for disadvantaged groups such as the aged, people who are homeless and those with a disability.

The model also pioneered new approaches to tenant participation in the management of their housing. At both national and State level there is significant support to develop the capacity of this sector to provide sustainable and affordable long-term housing options for those on low incomes. Community Housing has the ability to access private capital, GST benefits and Commonwealth Rent Assistance and therefore provides a tangible and effective model for affordable housing production within the current policy settings.

The State Government has recognised this potential and backed the sector's development by providing additional funds over four years in the 2007 State Budget. It is anticipated that not-for-profit community housing providers will play a leading role in the provision of affordable housing in selected demonstration projects.

Affordable Housing in State Government Developments

The Department of Housing and Works adheres to a presence ratio of one-in-nine DHW public rental and community housing in its land developments, new subdivisions, redevelopment land or subdivisions within existing suburbs, and spot purchases of existing dwellings in suburbs.

The State Government's redevelopment authorities in East Perth and Subiaco have adopted a Housing Diversity Policy, which targets 10 to 15% of dwellings on new land released, in its project areas, being set aside for social or affordable housing. The Department of Housing and Works is currently working with the East Perth Redevelopment Authority to provide affordable homes for sale on a shared equity basis in its Northbridge precinct. Land has been sold on the basis that the completed development will include a proportion of affordable housing. In return the developer will receive development bonuses. Eligibility for the homes will be based on the First Start shared equity eligibility.

The Department of Housing and Works is also supplying affordable house and land packages for First Start shared equity customers within its joint venture land developments. The \$50 million program will supply 200 packages initially for those who qualify for First Start (household incomes of \$70,000 or less) with the price of the house and land not exceeding \$365,000.

Achieving the Region's Affordable Housing Vision

Who will be helped by this Plan?

This plan is concerned with helping to provide diverse and affordable accommodation to a range of groups for whom affordability is a growing issue. The definition of housing affordability varies for the target group because the real cost of housing for tenures varies.

For example, it costs more to enter home ownership than in-going costs associated with leasing a rental property. By and large, housing affordability issues relate primarily to households in the bottom 40% of the income distribution (\$45,000 or less) who are paying more than 30% of gross income on housing related costs.

The groups targeted by the actions in this plan include:

- **First Home Buyers***

Potential first-home buyers are finding the transition into first home ownership less affordable and this is evident from the decline in first homeowner grants in late 2006²⁶. The State Government has responded by eliminating stamp duty for first time buyers for homes priced up to \$500,000 and land priced up to \$300,000 and introducing the First Start shared-equity home loan product. First homebuyers also receive the First Home Owner's Grant. In March 2007, first homebuyers represented 19% of the established home market sales. The affordability gap – difference between the median house price and the income required to purchase the median price remains a significant challenge to many potential young buyers.

- **Key Workers*** – service providers unable to find appropriate and affordable housing close to their work place and without public transport options

Recent research has confirmed growing evidence that housing affordability problems are particularly prevalent for those in low-income occupations such as hospitality workers and sales assistants²⁷. Housing affordability issues for these groups partly reflect a household's low income. They are also due to location; low-income workers facing the worst affordability outcomes such as those in hospitality were more likely to live in expensive inner city areas. In Peel, a significant proportion of the 15 to 45 year age group (a third of the population in the City of Mandurah), are employed in the comparatively lower-paid retail sector which constitutes by far the largest source of employment in Mandurah at (20%).



²⁶ Housing Stress in Western Australia, Department of Treasury and Finance, March 2007

²⁷ AHURI Are housing affordability problems creating labour shortages, June 2006

Achieving the Region's Affordable Housing Vision

- **Seniors in the private rental sector**

The Peel Region's population is, on average, 15 years older than the rest of Western Australia. With a large number of existing residents living longer, new retirees entering the Region, and those in middle age aiming to remain and retire, the Peel will continue to have a significant proportion of older people that will need access to appropriate and affordable housing. Median rents in Mandurah in the March 2007 quarter reached \$250 per week, a 14% increase on the previous quarter.

- **Sole parents (with or without permanent parenting responsibilities) in the private rental sector**

Single parents and single people figure prominently on the waiting list for public housing in Peel. Single parents with one or two dependents comprise around 17% of the total applicants for public housing. Applications for single people comprise 42.3% of the total waiting list. Demand for public housing from single households and single parent households with up to three or more dependents collectively represent about 66% of the waiting list for Peel.

- **Youth in the private rental sector**

The Peel has a high proportion of persons aged 15 years and under. This means that there is also a need for support services for children and families, particularly in relation to childcare, education and child health.

- **Caravan Park tenants**

As mentioned previously in this plan, there are 17 caravan parks currently in the Peel Region with 6 either closed or earmarked for closure and there is a trend towards the gradual withdrawal of permanent accommodation to long-term tenants by caravan park owners to make way for seasonal holiday makers who pay a higher overnight rental rate especially during the peak season. This has put a further squeeze on the availability of low-cost housing in the region as caravan parks have also provided an interim accommodation 'safety valve' for displaced low income families.

- **Indigenous people**

In its 2006 discussion paper on Mandurah housing issues, Shelter WA raised a number of issues highlighted by the community during its consultation process. Planning was raised as a significant issue because it was felt that without good planning processes, displacement of Indigenous people and pressure on families would increase. Diversity of housing requirements was also raised and its provision would need to involve both the private and public housing sector. The Shelter WA paper identified the lack of housing for Indigenous Seniors as another area of concern.²⁸

** Housing affordability in these groups may involve those on the median household income which is currently \$60,000*

²⁸ Shelter WA Mandurah's Housing Needs Discussion Paper 2006

Achieving the Region's Affordable Housing Vision

Objectives, Strategies and Actions

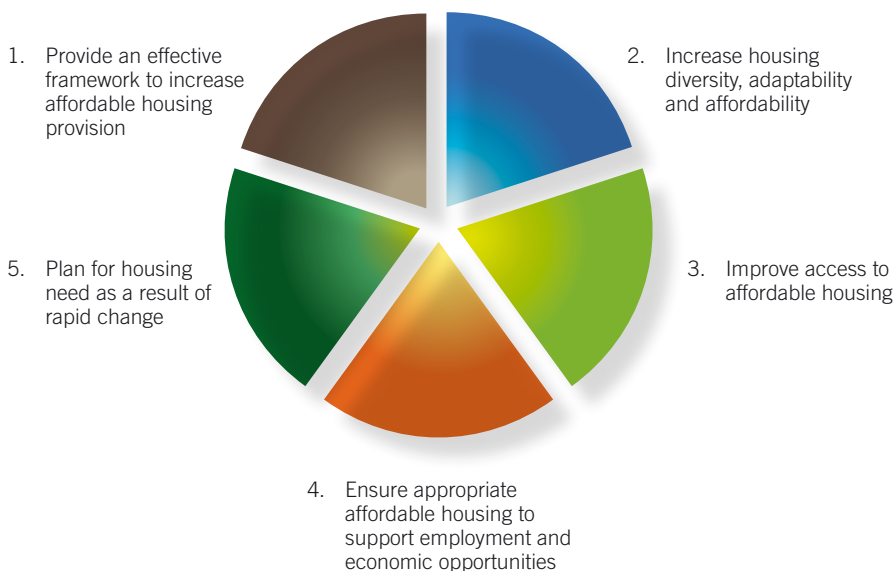
In order to meet the needs of the Peel Region and realise the vision of the Peel Region Affordable Housing Steering Group, five objectives have been identified:

1. Provide an effective framework to increase affordable housing provision
2. Increase housing diversity, adaptability and affordability
3. Improve access to affordable housing
4. Ensure appropriate affordable housing to support employment and economic opportunities
5. Plan for housing need as a result of rapid change

The Peel Region Affordable Housing Plan outlines strategies and actions for each of these objectives, and identifies project leads and partners. Actions included in the Plan will be commenced within four timeframes:

- Short term: 1 to 2 years.
- Medium term: 3 to 5 years.
- Long term: 6 to 10 years.
- Ongoing: 1 to 10 years.

CHART 7: 5 key objectives of the Peel Region Affordable Housing Plan



Achieving the Region's Affordable Housing Vision

Objective 1 – Provide an effective framework to increase Affordable Housing provision

Ensure that future affordable housing growth is effectively managed.

Strategy 1.1

Monitor and assess the influences that impact on the regional affordable housing market.

Action	Lead Agency	Partners	Timeframe
1.1.1 Monitor and analyse economic influences and their impact on the Region's housing market.	PDC	DHW Councils	Short-term (On-going)
1.1.2 Report regional demographic trends and changes in the diversity of housing stock and housing affordability.	DHW	DPI PDC Councils Shelter WA	Short-term (Ongoing)
1.1.3 Identify the supply of land, and house and land values, in existing urban areas and growth areas through the Peel Region Scheme (PRS), Metropolitan Region Scheme (MRS), the Boddington Town Planning Scheme (BTPS) and other Town Planning Schemes.	DPI	Councils PDC UDIA Landcorp	Short- to Medium term (On-going)
1.1.4 Assess and initiate the creation of a Peel-based resource to coordinate the facilitation of the Peel Region Affordable Housing Plan and associated demonstration projects.	DHW	Councils PDC	Short-term

Strategy 1.2

Plan to accommodate affordable housing in appropriate locations that have good access to transport, facilities, infrastructure, services, and employment opportunities.

Action	Lead Agency	Partners	Timeframe
1.2.1 As an integral part of local planning strategies, prepare, review and implement local affordable housing strategies and policies.	Councils	DHW DPI	Short to medium term
1.2.2 Identify priority activity centres that can accommodate affordable housing (eg Southern Suburbs Rail - Mandurah Station)	Councils	DPI DHW Landcorp UDIA	Short to medium term

Achieving the Region's Affordable Housing Vision

<p>1.2.3 Undertake integrated planning for new affordable housing development in designated growth areas.</p>	Councils	DPI DHW Landcorp UDIA	Short to medium term
<p>1.2.4 Work in partnership to investigate and develop more appropriate tools to achieve housing outcomes in specific locations (for example density bonuses)</p>	Councils	DPI DHW PDC	Short to medium term
<p>1.2.5 Establish a co-operative approach to increase proposals for affordable housing which are consistent with approved local policy and/or town planning process.</p>	PDC	DPI DHW Councils	Medium-term

Strategy 1.3

Stimulate affordable housing investment in strategic locations.

Action	Lead Agency	Partners	Timeframe
<p>1.3.1 The State Government to pursue development opportunities to stimulate low cost housing investment in activity centres such as Transit Oriented Developments (TOD).</p>	LANDCORP, DHW, PTA	DPI, AHURI, Community Housing Growth Providers	Short-Medium-term
<p>1.3.2 Seek to develop the broader debate on affordable housing as a national priority, including the role of the Commonwealth Government in encouraging and providing incentives for investment in affordable housing for example taxation policy.</p>	DHW	UDIA, AHURI, REIWA, PCA, Tertiary Institutions	Short-Medium-term

Strategy 1.4

Manage residential development to recognise affordable housing and other uses within mixed activity areas and mixed use developments.

Action	Lead Agency	Partners	Timeframe
<p>1.4.1 Recognise and promote the importance of affordable housing in residential and mixed use developments.</p>	Councils	DPI	Medium-term

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Achieving the Region's Affordable Housing Vision

Objective 2 – Increase Housing Diversity, Adaptability and Affordability

Ensure that a diverse, adaptable and affordable range of housing choices are available across the region to meet the needs of existing and future residents.

Strategy 2.1

Promote the need for housing diversity and adaptability in appropriate locations.

Action	Lead Agency	Partners	Timeframe
2.1.1 Refer to 1.2.1 Prepare, review and implement local affordable housing strategies within Local Planning Strategies and relevant policies.	Councils	DHW DPI	Medium-term
2.1.2 Work with developers, housing associations and non-government organisations to promote, market and deliver a diverse range of adaptable housing types (including housing for the aged and aged care facilities).	DHW/ Councils	PDC, Community Housing Growth Providers, Private Developers,	Short/ Medium-term
2.1.3 Investigate planning tools and other mechanisms to promote and provide for increased housing diversity and housing adaptability.	Councils/ DPI	Landcorp DHW	Medium-term

Achieving the Region's Affordable Housing Vision

Objective 3 – Improve access to Affordable Housing

Ensure the provision of housing that is affordable, well-located and appropriate to household needs, across a range of household types, tenures and locations.

Strategy 3.1

Improve understanding of regional housing affordability issues.

Action	Lead Agency	Partners	Timeframe
3.1.1 Refer to Action 1.1.1 Monitor and analyse economic influences and their impact on the Region's housing markets.	PDC	DHW Councils	Short-term (On-going)
3.1.2 Determine the Region's current and future need for affordable housing (targets to be established). This to include boarding and lodging houses and caravan parks.	Shelter WA	DHW Caravan Industry Association	Short-term (Ongoing)
3.1.3 Establish systems for monitoring changes in housing affordability.	DHW	PDC REIWA, Property Council, UDIA, MBA	Short-term
3.1.4 Refer to 1.2.1 Prepare, review and implement local affordable housing strategies and policies.	Councils	DHW DPI	Medium-term
3.1.5 Promote and manage the access to affordable housing for key groups eg aged, people with disabilities, indigenous, key sector workers.	DHW	KSP	Short-term (ongoing)

Achieving the Region's Affordable Housing Vision

Objective 4 – Ensure appropriate Affordable Housing to support Employment and Economic Opportunities

Ensure growth in affordable housing supports employment and economic opportunities in the region.

Strategy 4.1

Enhance opportunities for local lower income residents having reasonable access to employment.

Action	Lead Agency	Partners	Timeframe
4.1.1 Monitor the impact of the Southern Suburbs Rail on affordable housing.	PDC	Councils, PTA, DPI	Short-Medium-term
4.1.2 Work collaboratively to make sure that housing is linked to transport and regionally significant employment areas.	PDC, PTA MRWA	DPI, Councils Tertiary Institutions	Short-Medium term
4.1.3 Work collaboratively as a Region for ongoing research on regional journey to work patterns, including the changing nature of work.	AHURI	PDC, PTA, Councils, Tertiary Institutions	Medium-term
4.1.4 Building communities by encouraging opportunities for local employment generating activities as part of new affordable housing	Councils	PDC, DHW, Landcorp, DPI	Medium-term
4.1.5 Maximise traineeships/ apprentice training schemes to create opportunities in affordable housing developments. Eg DHW apprentice training initiatives	DHW	PDC, Councils	Short-term
4.1.6 Maximise high density development around transport nodes, especially railway stations.	DPI PTA, DHW LandCorp	Councils	Short term Ongoing

Achieving the Region's Affordable Housing Vision

Objective 5 – Plan for housing need as a result of rapid change.

Ensure appropriate planning occurs to respond to significant housing need, for example, the displacement of residents due to the closure of caravan parks.

Strategy 5.1

Action	Lead Agency	Partners	Timeframe
5.1.1 Create an action plan to identify areas of possible resident displacement as a result of caravan park closures.	DHW, Councils	Caravan Industry Association, Shelter WA, PDC	Short term
5.1.2 Explore the opportunities for leased reserve land to be used for new caravan park facilities.	DPI	Councils, PDC, Caravan Industry Association	Short-Medium-term
5.1.3 Monitor and assess the provision of affordable housing in the shire of Boddington as a result of the Boddington Gold mine expansion.	PDC	DOIR, DHW, Boddington Shire, BGM Taskforce	Short term

Implementation, Monitoring and Review

This section outlines proposed implementation of the Peel Region Affordable Housing Plan and how achievement of the Plan's objectives, strategies and actions will be monitored and reviewed annually.

Implementation and Governance

The actions identified will be implemented by the nominated lead agency with input from the nominated project partners. Lead agencies have been chosen because their roles ensure they are best placed to achieve the action.

It is anticipated that the Peel Region Affordable Housing Steering Group will have an ongoing role in implementing the actions identified in this Plan.

While this Plan covers the period up to 2017, its emphasis is on actions which are achievable within the next five years. Achieving these actions will require inclusion of priority actions in local and State Government corporate plans, business plans and budgets, to ensure that sufficient resourcing is obtained to achieve these actions.

The Peel Region Affordable Housing Steering Group is committed to ensuring that the Peel Region Affordable Housing Plan is adequately monitored, to measure and record changes over time, and that it remains appropriate to the needs of the Peel Region.

Monitoring the performance of the Peel Region Affordable Housing Plan will involve an assessment of:

1. Whether the objectives remain consistent with the regional housing policy context.
2. Whether the strategies and actions are effective in achieving the Plan's objectives.
3. Whether the outcomes meet the housing objectives sought for the Peel Region.
4. The nature of progress towards achieving actions and the effectiveness of these actions in meeting the Plan's objectives.
5. Whether the Peel Region Affordable Housing Plan has been successful in informing all tiers of government and councils in the development and review of strategic planning work, and in informing local and State Government in the coordination of future infrastructure and services with population growth.

Review and Reporting

It is anticipated that the Peel Region Affordable Housing Plan will be reviewed every five years, or earlier if circumstances require. The Peel Region Affordable Housing Steering Group will determine the nature of the review, will consider progress to date, and will determine whether major changes in direction are required to take account of new trends or changing circumstances.

The Peel Region Affordable Housing Steering Group will prepare annual status reports.

The review will utilise the annual status reports and results of the five yearly censuses. The review will include an assessment of population projections for the previous five-year period against the actual situation, using the results to inform future housing needs.

The first review of the Peel Region Affordable Housing Plan is anticipated to commence in 2012.

Recommendations

Underpinning the objectives and strategies listed in this Plan, these recommendations are based upon the findings from the various workshops and discussions with key stakeholder groups:

1. The Peel Affordable Housing Plan to be endorsed by the Minister for Housing and Works.
2. The Peel Affordable Housing Plan to be adopted by local governments and State Government departments.
3. The Peel Affordable Housing Plan's actions to be implemented through partnerships between government and the private sector by designated timelines.
4. The Peel Affordable Housing Plan process to provide a template for the development of affordable housing strategies within other WA regions.
5. Appropriate resourcing to be provided for coordination of the Peel Affordable Housing Plan and for implementation of demonstration projects.



Glossary of Terms and Acronyms & Maps of the Peel Region

Affordable Housing	<p>Housing that is available to the lowest two income quintiles (bottom 40% of the income distribution) without having to pay more than 30% of household income to meet housing costs.</p> <p>Affordability is considered to have three dimensions:</p> <ol style="list-style-type: none"> 1. Affordability is a measure of the ongoing cost of housing in relation to income, whether paying a mortgage or renting; 2. Accessibility relates to the cost of becoming a home purchaser or securing a rental tenancy; and 3. Adequacy and appropriateness which suggest that affordable housing should be adequate and or appropriate to meet a household's requirements. 4. Affordability also takes into account the impact of location in particular costs related to transport to services and employment centres.
Housing stress	Families and singles are regarded as being in housing stress if their estimated housing costs exceed 30% of their disposable income and they are in the bottom 40% of the equivalent income distribution. ²⁹
Greenfield sites	Land (or a defined site) usually farmland or remnant bushland, that has not previously been developed.
Brownfield sites	Land which has previously been developed. The term may encompass vacant or derelict land; infill sites; land occupied by redundant or unused buildings
Key workers	Service providers unable to find appropriate and affordable housing close to their work place and without public transport options.
Place management	Ensures the development of the cultural, social, commercial and community aspects of an urban development. ³⁰
Community Housing	Rental housing for low to moderate income earners delivered by not-for-profit organisations community based organisations, local councils or church groups.
Public housing	Rental housing for low to moderate income earners delivered through the Commonwealth-State Housing Agreement and managed by the State Government.
Tenure	The nature of a person or social group's legal right to occupy a dwelling – private renter, homeowner, public housing tenant are all tenure types.
Transit Oriented Development (TOD)	<p>A mixed-use community within walking distance of a transit stop that mixes residential, retail, office, open space, and public uses in a way that makes it convenient to travel on foot or by public transportation instead of by car³¹.</p> <p>Associated urban design models include Green Oriented Development and Pedestrian Oriented Development³².</p>
Mixed use	Development oriented more toward integrating commercial and housing activity on a smaller scale that is pedestrian-friendly and linked to transit. Central to the principle of transit oriented development ³³ .

29 1992 National Housing Strategy affordability benchmark

30 East Perth Redevelopment Authority

31 Housing in railway precincts. HURIWA/PATREC February 2007

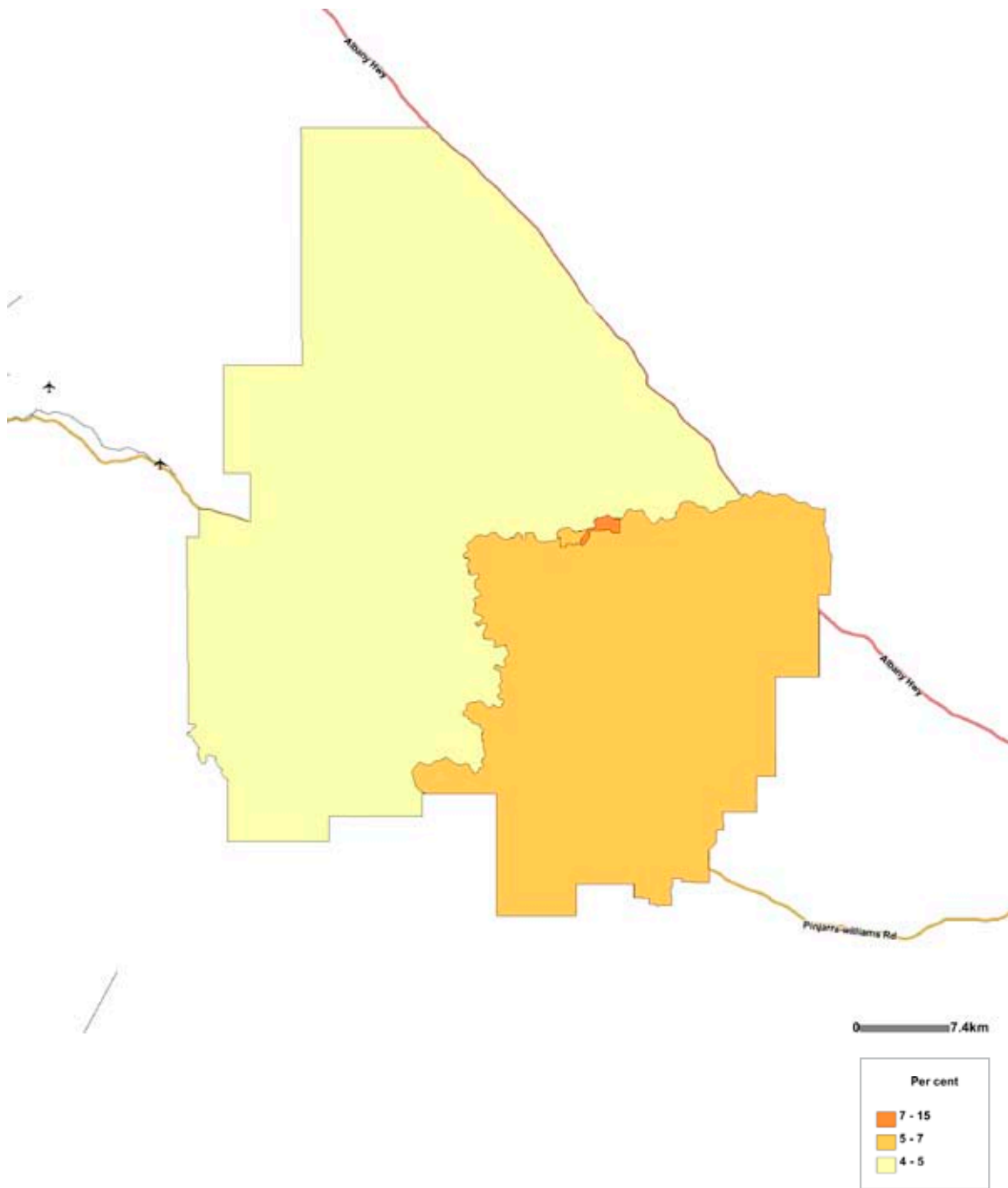
32 Professor Peter Newman "Sustainable and Affordable Cities"

33 Defining mixed-use development. Design Centre for American Urban Landscape. University of Minnesota.



Households with housing costs 30% or more of gross income

As a percentage of all households
 Based on Place of Usual Residence, 2006
 Boddington (S) (Local Government Area) by Census Collection District

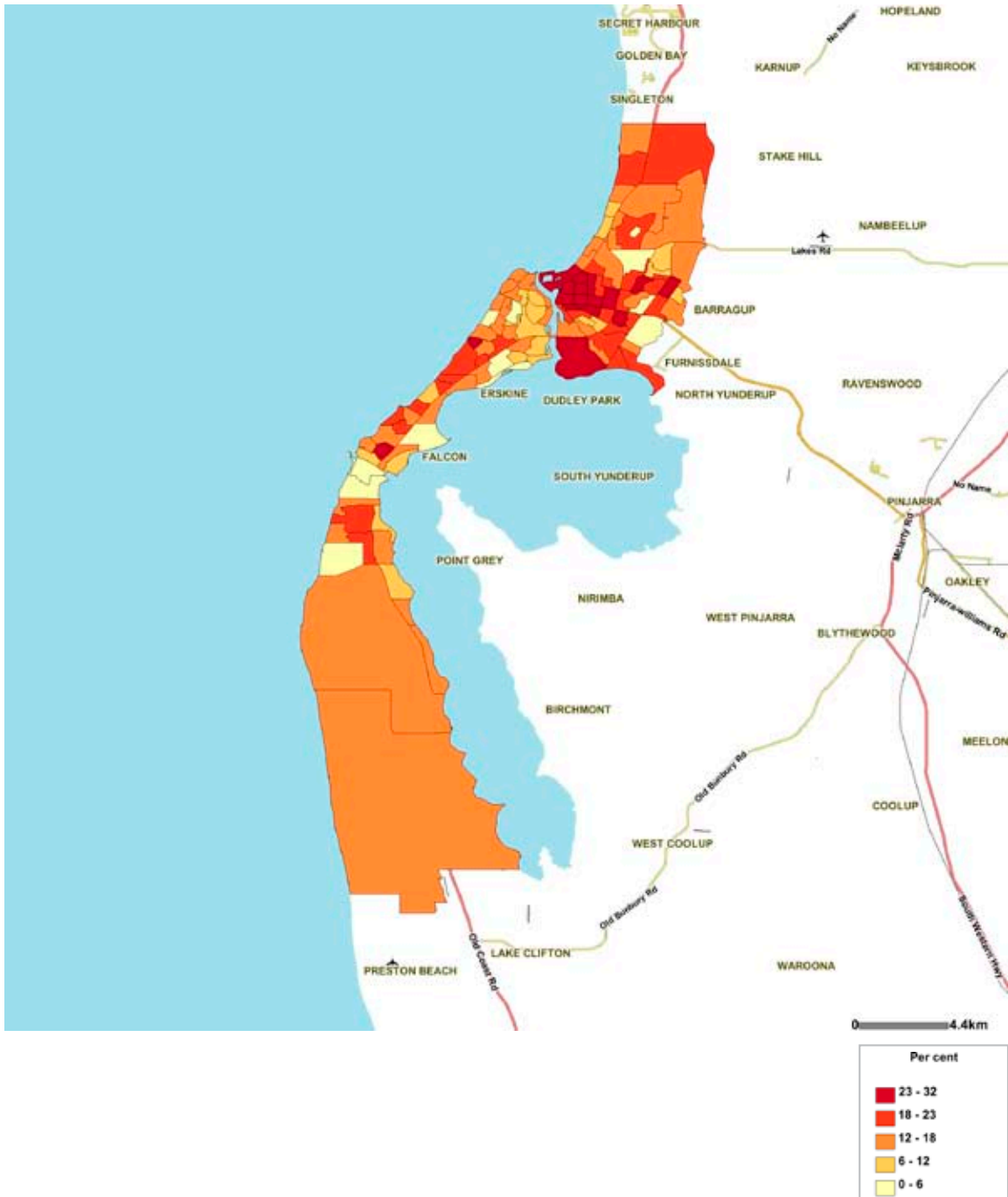


Glossary of Terms and Acronyms & Maps of the Peel Region



Households with housing costs 30% or more of gross income

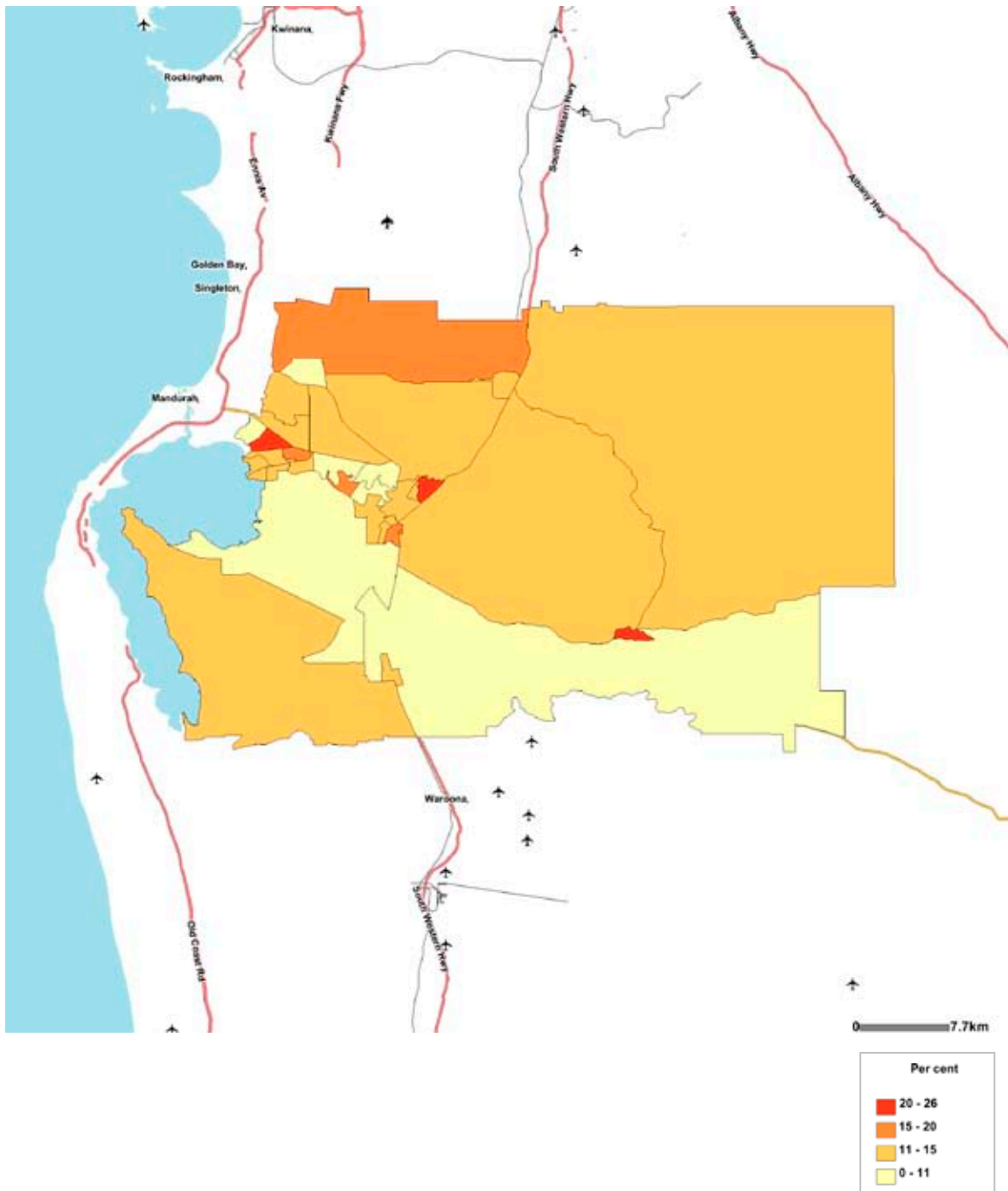
As a percentage of all households
 Based on Place of Usual Residence, 2006
 Mandurah (C) (Local Government Area) by Census Collection District





Households with housing costs 30% or more of gross income

As a percentage of all households
 Based on Place of Usual Residence, 2006
 Murray (S) (Local Government Area) by Census Collection District

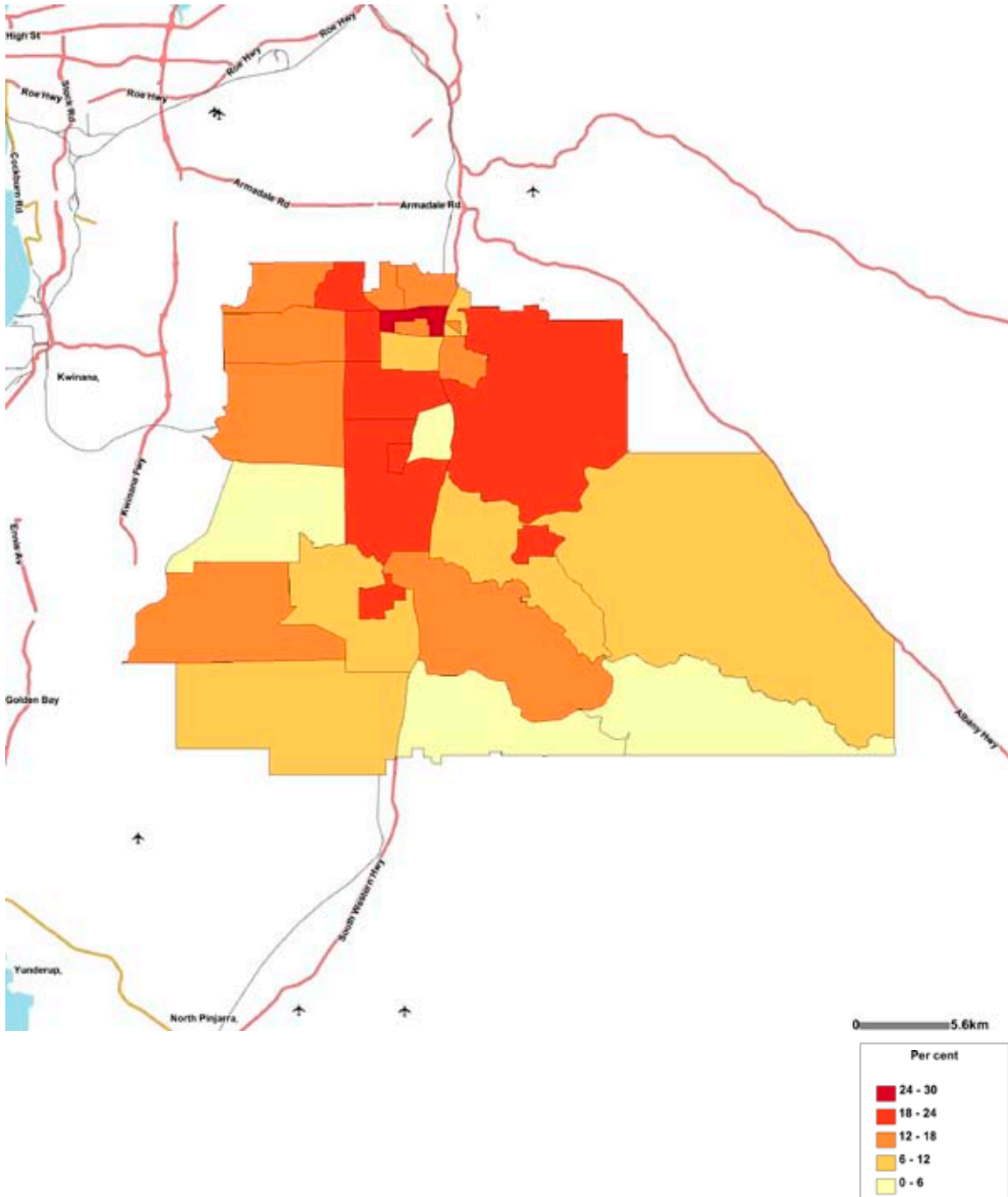


Glossary of Terms and Acronyms & Maps of the Peel Region



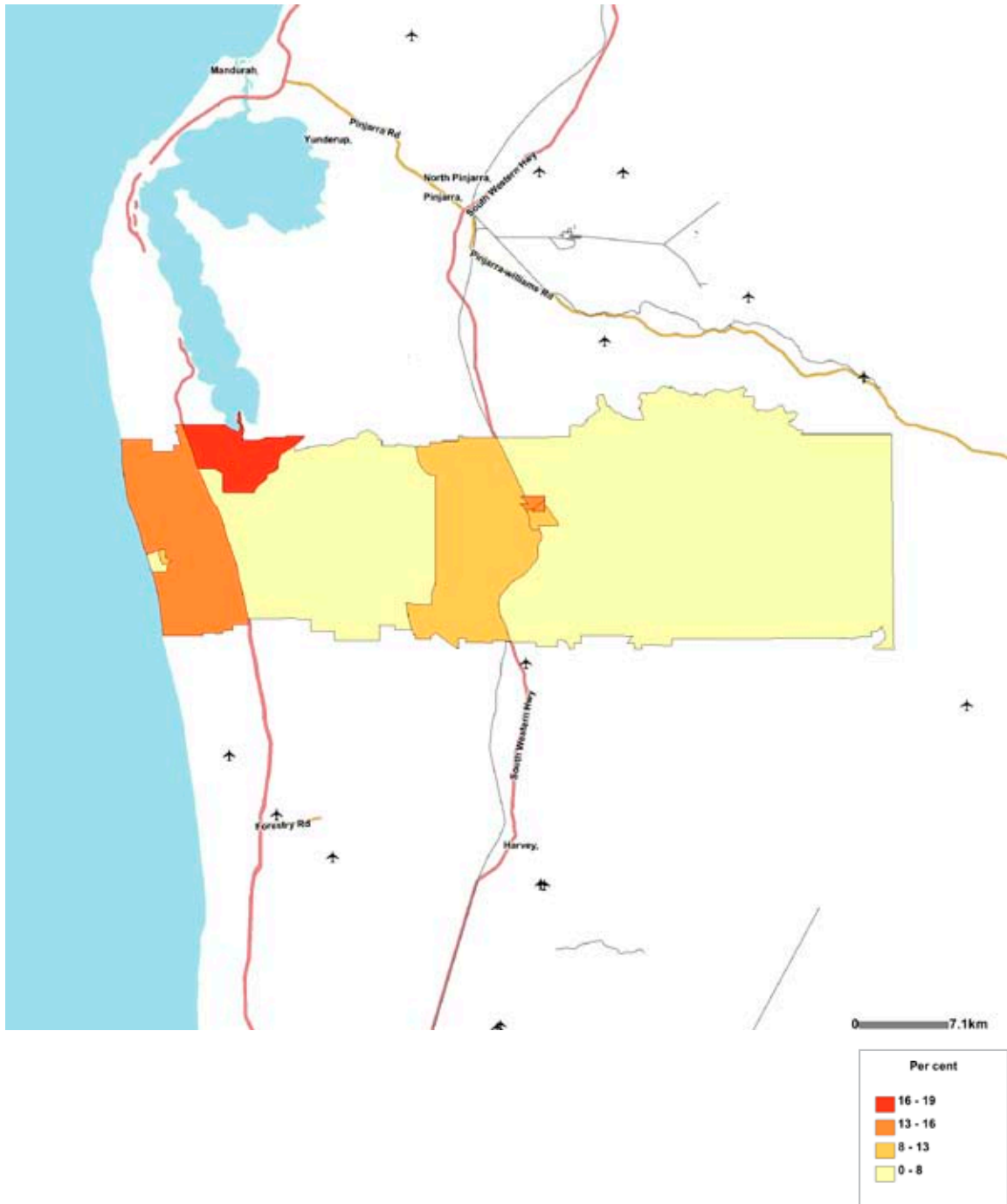
Households with housing costs 30% or more of gross income

As a percentage of all households
 Based on Place of Usual Residence, 2006
 Serpentine-Jarrahdale (S) (Local Government Area) by Census Collection District



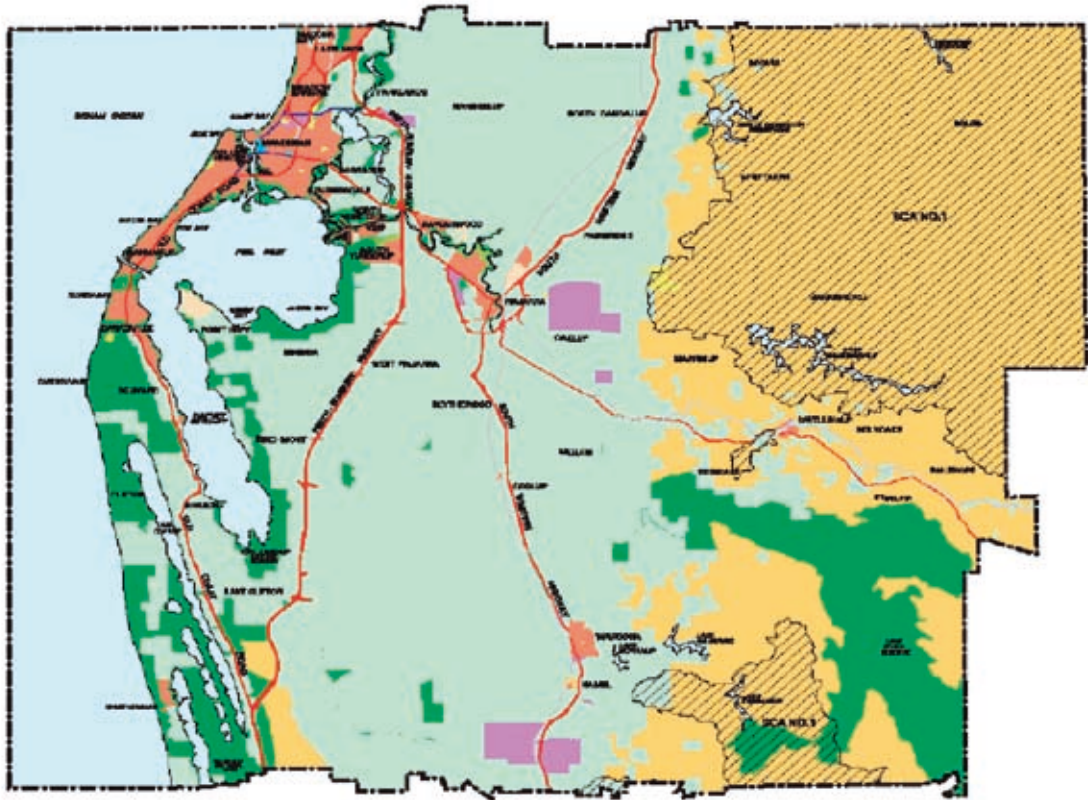


Households with housing costs 30% or more of gross income
 As a percentage of all households
 Based on Place of Usual Residence, 2006
 Waroona (S) (Local Government Area) by Census Collection District



PEEL REGION SCHEME

PEEL REGION SCHEME
WESTERN AUSTRALIA



- | | | |
|---------------------|--|--------------------|
| REGIONAL OPEN SPACE | PRIMARY REGIONAL ROADS | URBAN |
| RAILWAYS | CITY/STY REGIONAL ROADS | URBAN DEFERRED |
| STATE FORESTS | SPECIAL CONTROL AREAS - SCARD 1 WEST/REGA/COMM/INT | REGIONAL CENTRE |
| WATERWAYS | SCHEME BOUNDARY | INDUSTRIAL |
| PUBLIC PURPOSES | | RURAL |
| | | PRIVATE RECREATION |

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and the user.

NOTE: The map is not a substitute for the
Peel Region Affordable Housing Plan.



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Western
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