SHIRE OF YARRA RANGES

Housing Strategy Issues Paper

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## Abbreviations

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<th>Description</th>
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<tbody>
<tr>
<td>ABS</td>
<td>Australian Bureau of Statistics</td>
</tr>
<tr>
<td>CD</td>
<td>Collection District</td>
</tr>
<tr>
<td>CSHA</td>
<td>Commonwealth-State Housing Agreement</td>
</tr>
<tr>
<td>DSE</td>
<td>Department of Sustainability and Environment (Victoria)</td>
</tr>
<tr>
<td>HSAP</td>
<td>Housing Strategy and Action Plan (of the Shire of Yarra Ranges)</td>
</tr>
<tr>
<td>ILU</td>
<td>Independent Living Unit (housing for an older person)</td>
</tr>
<tr>
<td>KRA</td>
<td>Key Result Area (of the Shire of Yarra Ranges Housing Policy)</td>
</tr>
<tr>
<td>LGA</td>
<td>Local Government Area</td>
</tr>
<tr>
<td>MSD</td>
<td>Melbourne Statistical Division</td>
</tr>
<tr>
<td>MSS</td>
<td>Municipal Strategic Statement</td>
</tr>
<tr>
<td>SEIFA</td>
<td>Socio-Economic Indexes for Area</td>
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<td>SLA</td>
<td>Statistical Local Area</td>
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Executive summary

Housing is of prime concern to all of us. It forms the central part of our social life and a base for our personal relationships. It is a major contributor to our sense of identity and security. For many, it is also the single most important asset, both for themselves and their children. At the local government level, it is important for its effects on household structure, delivery of services, social cohesion, rate revenue and economic development.

The Shire of Yarra Ranges is one of the largest municipalities in Melbourne, both in land area and population. The most urbanised and populated area is the small western portion. This was mainly developed in the 1970s and 1980s, with strong emphasis on detached housing for families. The Shire contains around 40 townships and villages both in the ‘hills’ and the ‘valley’. Many of these had their roots in small settlements in the late 19th and early 20th centuries, and have developed a strong community spirit and involvement. They particularly value the local environment. While these areas contain only a small portion of the population, their complexity and diversity present many challenges for Council, including the delivery of services and particular housing issues. Two regional centres on the edge of the metropolitan area are major connection points between the rural parts of the Shire and metropolitan Melbourne:

- Lilydale to the north, at the terminus of a metropolitan railway line, services most of the east and north of the Shire
- Belgrave to the south, also at the terminus of a metropolitan railway line, services parts of the Shire’s southern ranges and foothills, but also parts of neighbouring Shires to the east and south.

These two regional centres are separated by the Dandenong Ranges, which makes links between them difficult. They also have different types of industries: manufacturing in Lilydale, and tourism in Belgrave.

In December 2002, the Shire of Yarra Ranges adopted a Housing Policy with the key objective:

To achieve quality housing outcomes that meet the needs of current and future populations by providing a framework to integrate social and planning issues in relation to housing in a manner that protects and enhances the natural and built environment.

As part of this policy, Council identified five Key Result Areas (KRAs):

- To ensure growth of housing in appropriate locations
- To diversify the housing type and tenure to meet housing needs
- To promote quality environmental performance and design through energy and water efficiency and protection of vegetation and habitats
- To ensure housing is accessible for those with specific needs
- To ensure the provision of affordable housing.

Part A: Background

The approach of this report

A housing strategy is increasingly becoming a necessity for local governments. Housing is fundamental to the wellbeing of their residents, to the proper functioning of communities and to the achievement of a range of other local strategies.
A housing strategy is but one among a range of strategies through which Council can achieve its overall vision for the Shire as articulated in Vision 2020. It therefore needs to complement and/or integrate with other strategies.

The Housing Strategy and Action Plan (HSAP) will distinguish between two types of strategies: those that are specifically concerned with achieving housing outcomes, and those that relate to other local strategies, for example, aged care services can more effectively achieve their objectives through a housing strategy which encourages older people in isolated areas to move into local townships where such services can more easily be provided. On the other hand, some housing outcomes can only be achieved through other related strategies, e.g. provision of adequate physical infrastructure such as water and sewage.

A housing strategy is more than a planning strategy. Local government cannot rely solely upon a planning strategy or changes in its planning scheme to meet housing issues of the scale, range and complexity now apparent. Land-use planning decisions and actions are one strategy for achieving a range of housing and other objectives.

**Methodology**

The HSAP is being developed over four stages.

**Stage 1: Data and policy analysis** provides a comprehensive analysis of the complex social and economic issues facing the Shire in relation to housing development and future needs. It includes four components:
- An analysis of the key statistical data on the Shire
- A review of Victorian and Commonwealth policy frameworks
- A review of land-use planning policies and practices
- A review of relevant Council policies, strategies and reports.

**Stage 2: Consultations with stakeholders** focus on drawing out mainly qualitative data from a broad range of stakeholders – local residents and organisations, community organisations, housing industry, Council staff and government departments.

**Stage 3: Issues identification** looks at the key issues/challenges that Council will need to address if it is to achieve the five KRAs of its housing policy.

**Stage 4: Development of a HSAP** will set out a range of strategies along with specific actions, the resources required to implement them, a staged timeline and the expected housing outcomes of each strategy.

**This Housing Strategy Issues Paper**

This Housing Strategy Issues Paper is the first of two reports that will form the HSAP for the Shire of Yarra Ranges. It incorporates the first three stages outlined above. It is divided into five parts:
- Part A provides some background to the HSAP and the approach to its development.
- Part B is concerned with the Shire, with a particular focus on what is happening in the housing market. It outlines relevant statistical material as well as qualitative material from consultations with stakeholders.
- Part C identifies and frames the key issues and challenges for Council in developing a HSAP.
- Part D outlines the context within which the key issues and challenges for Council can be framed as a precursor to a HSAP. This context reviews the roles, responsibilities and
powers of Council, the Shire’s housing market within the wider metropolitan housing market, and the impact of Commonwealth and Victorian government policies.

- Part E provides an overview of proposed directions for addressing the key issues and challenges.

The purpose of this paper is to identify the key issues and problems confronting the Shire and Council as it seeks to implement its housing policy. The focus is on identifying the key issues rather than evaluating or discussing various strategies for addressing these issues. These are complex issues. Without a good understanding of them, strategies and actions may not adequately address the real issues, are apt to miss the mark and even compound the problem. Without agreement on what the real issues are, the stakeholders are apt to work at cross-purposes rather than together. The questions this paper is trying to answer are:

- What are the key issues for the Shire?
- What are the key problems confronting housing in the Shire?
- What could be improved?

Once the key issues are properly and accurately understood, then the Shire can find ways of addressing them and developing a HSAP.

The identification of the key issues in the HSAP will pinpoint areas where housing outcomes may be improved and where there may be opportunities for Council to stimulate or promote better outcomes. This paper does not propose any strategies or actions. However, it does raise some of the implications for strategy development posed by the analysis of the data. The second report will explore various strategies and propose a comprehensive HSAP.

**Part B: Key findings**

- Population and household growth, while positive, is well below that of metropolitan Melbourne and Victoria. Increasing this growth rate can only occur by providing more housing in diverse forms.

- The population will age over the next 30 years, with negative growth in all age cohorts less than 54 years. This has important housing implications as older people in single and couple households seek housing forms most appropriate to their circumstances.

- The current household structure is not dissimilar to Melbourne, with the exception of a lower proportion of single parents. Data trends suggest that future household growth will be in childless couples and single parents (smaller household types), while there will be contraction in the size of families. This will also impact on the most appropriate future housing form, possibly by way of a demand for smaller housing units.

- A disproportionate number of residents work outside the Shire, which emphasises the importance of major railway and highway links and the need to concentrate housing around these links.

- The Shire attracts home purchasers. This has not affected the income patterns of in-movers who are very similar in age and income to out-movers in the five years prior to the 2001, unlike some other outer urban municipalities that are increasingly attracting lower income groups.

- With over 90% detached housing and 80% home ownership, the Shire has a remarkable homogeneity of stock. Given the likely changes in demographic profile, it will require a more diverse household form in the future.

- Median house prices have broadly moved in line with other outer urban areas and at a lower rate than the metropolitan average. While this makes local housing relatively more
affordable, even these movements have been substantial enough to bring about negative affordability outcomes. By 2003 first home buyers would have to be in the top 50% of income earners to purchase in the municipality. Put another way, an income of around $60,000 per annum was necessary for first home ownership in 2003, although access would be easier in the more outlying townships.

- Relative to Melbourne, and especially in contrast to inner urban areas, the private rental stock is small (8.3%) and apparently contracting. In the December 2003 quarter, only 133 flats and 375 houses were available for potential renters to access. Nevertheless, there is little evidence of pressure on rents, which are no higher than five years previously. Median rent levels of $165 per week for a two bedroom flat are highly affordable relative to Melbourne as a whole. Consequently 55% of the Shire’s rental stock can be described as low cost, compared with 33% for Melbourne as whole. On the basis of this data, it might be concluded that access to rental housing is not a key issue in the Shire. However, these low rents may also indicate something about the quality, amenity and location of the stock.

- Social housing is very limited in quantity, and apparently in high demand as there are understood to be 1,800 applicants on the public housing waiting list in the Shire, of whom 220 require housing urgently. In view of worsening house price affordability, this may present future housing problems. At present there are only 550 public housing dwellings (around 1% of stock) in the municipality. Assuming the turnover rate is the same as the national average, i.e. around 12%, this means only around 60 properties become vacant each year, suggesting a considerable need for increased units.

- Housing for older people who have little assets and low incomes and who do not wish to or cannot age in place is limited, with 257 independent living units (ILUs). Most of these were constructed in the 1960s and 1970s and are in need of upgrade. Outer urban areas such as Yarra Ranges are increasingly targeted for retirement villages partly due to the availability of larger sites and relatively inexpensive land. However, they may not be in locations which provide easy access to public transport, retail services, medical services, community aged care services etc.

- Because of the homogeneity of the housing market, options for young people (particularly flats) are very limited. This may be one factor contributing to homelessness among young people in the Shire.

- Caravan parks are often being used as an alternative to public housing, which raises issues of affordability and appropriateness. In the short term, this suggests a need to develop targeted policies to ensure these residents have equal access to housing-related services and that park conditions meet appropriate standards.

### Part C: Key challenges and issues

This report identifies eight challenges/issues which Council needs to address in adopting a HSAP.

**Key challenge/issue 1: to gain perspective on the Shire of Yarra Ranges housing market and Council’s Housing Strategy and Action Plan**

The Shire of Yarra Ranges is located on the eastern outskirts of Melbourne. It operates within the larger housing market of Melbourne and in competition with other fringe municipalities, particularly those in the growth corridors and to some extent, by virtue of its amenity, in competition with middle ring suburbs. An assessment of the relationship between these housing markets is a key issue. The changing dynamic of this relationship has formed the housing market in the Shire and will form future housing outcomes. This dynamic relationship will drive the growth of population and households, housing demand, house prices, rental investment etc. It will create the
demand for diversity in housing and pressures for multi-unit housing. This relationship is not static but dynamic – changing as the Shire changes and as other municipalities change.

The role that Council can play as this dynamic relationship impacts on the Shire is limited but it can use various policy levers to shape housing outcomes. The key to Council’s response through a HSAP is a growing understanding of the housing market in the Shire in relation to the larger Melbourne housing market and developing a perspective on that. This leads to a multi-faceted strategy with Council pursuing different policies in different locations.

**Key challenge/issue 2: to develop a shared vision for housing in the Shire of Yarra Ranges**

*Vision 2020* is Council’s vision and long-term plan for the Shire. It provides a strategic framework through which Council seeks a sustainable future for the Shire. It envisages Council working in partnership with the community to achieve this vision. Three dimensions make the achievement of this vision quite complex:

- The necessarily collaborative nature of the vision
- The social, cultural, environmental and economic factors which underpin the housing market
- The different types of localities within the Shire.

As *Vision 2020* indicates, Council alone cannot achieve a vision for housing. It must work in partnership with the housing industry, with the local community, with the Commonwealth and Victorian governments and with community organisations. This is an ongoing process as no vision can be set in stone. Local communities – their social connections, culture, environment and economy – evolve and develop. In this context, the neighbourhood character and the housing market is ever changing and adapting to new demands. Any vision for the future must appreciate the particularities and differences of localities.

**Key challenge/issue 3: for Council to adopt an approach to population growth for the Shire within which the housing strategy plays a supporting role**

Limited population growth, especially in a context of an ageing population, will have significant broader implications for the Shire and its ability to function efficiently. A growth in the proportion of the older population will generally reduce economic activity in the Shire, as those on pensions and limited superannuation will have less spending power.

The question of whether to grow the population of the Shire is a complex one. One the one hand, it involves the maintenance of the local economy and the stability of and access to services (retail, medical, hospital and community services etc.). On the other, it involves consideration of the impact of population growth on the environment and the local neighbourhood.

A decision to promote growth is based not on housing grounds but on sustaining the local economy and ensuring that residents have continued access to a broad range of goods and services without having to travel long distances. The extent to which Council can give effect to this decision is limited as population growth depends upon a series of interrelated factors, many of which are outside the control of Council such as:

- The extent to which the population of Melbourne continues to grow
- The extent to which house price growth, Urban Growth Boundaries and other strategies result in changes in the type and location of dwellings within current residential areas
- The attractiveness of the Shire compared with other areas
- Whether the number of dwellings in the Shire increases to meet demand
• The availability of appropriate housing – whether the type and location of current and new dwellings are appropriate to households
• The price of housing in the Shire relative to other areas
• The buoyancy of the local economy and opportunities for employment and training.

Once Council has adopted an approach to population growth, a housing strategy plays a key role insofar as it can facilitate population growth or inhibit it.

**Key challenge/issue 4: to develop a range of housing types which better meet the needs of emerging household types**

Current housing stock within the Shire is no longer adequate to meet the needs of emerging household types. The current form of development (predominantly low density, three-bedroom detached houses) places most stress on the local environment by virtue of its land intensiveness and does not easily accommodate to changing housing demands over time.

Given the low proportion of multi-unit housing, the changing demographics and the changing economic situation, the Shire requires a greater diversity of housing stock and tenure. This diversity relates to many differing elements and components and could include:

• Detached houses of different sizes and storeys and on different size sites
• Semi-detached houses of different sizes and storeys and on different size sites
• Adding a second dwelling to a site
• Small-scale multi-unit development (2-6 units) with single storey units on a single site
• Small or large detached or semi-detached townhouse units on a large site, e.g. a retirement village
• Medium-scale multi-unit developments (6-20 units) with two storeys on a single site
• Boarding houses, mobile home parks, hostels, private hotels, supported residential services, communes and other forms of non-conventional housing.

In diversifying its housing stock, the Shire needs to ensure that the types of housing developed are appropriate in relation to a range of criteria. Some types could be introduced without making any noticeable impact on the landscape, the local neighbourhood character or the environment. But what is appropriate in one area of the Shire may not be appropriate in others.

The types of housing and the appropriate criteria will differ by location. A housing strategy will need to address both these aspects if the Shire is to diversify its housing stock to meet the needs of emerging households.

**Key challenge/issue 5: to ensure that the Shire can continue to provide affordable housing to a diverse range of groups**

Affordability in Australia is no longer an issue only for the very poor households dependent on government pensions and benefits. It is now an issue for low and moderate income earners who are working. Thus, affordable housing is not merely social housing (public or community housing), it is also affordable housing for those households who are ineligible for social housing but are having difficulty in purchasing or renting private housing. It now requires an income of at least $60,000 to afford the median priced house in the municipality and around $40,000 for even the lowest end of the market.

At one level, the Shire has a good supply of affordable housing compared to metropolitan Melbourne. Yet, at another level, it does not have enough. The most urbanised parts of the Shire such as Lilydale and Chirnside Park have median house prices higher than equivalent outer areas in
the rest of Melbourne such as Cranbourne, Pakenham, Melton and Werribee. In this respect, prices are more comparable to some middle ring suburbs. The relatively higher prices probably reflect the shortage of vacant land for new supply and the perceived attractiveness of the Shire.

For low income renters there is insufficient affordable private and social housing relative to need. Public housing waiting lists are long, and the proportion of public housing stock is disproportionately low relative to Melbourne as a whole. In the short term, the prospects of increasing the level of social housing in the Shire are low. However, it is important that Council work to increase these levels over the medium to long term.

**Key challenge/issue 6: to ensure that new housing developments have a minimal impact on the environment**

The Yarra Ranges community puts high value on the environment. It is an important consideration in any future housing developments and subdivisions. Environmental issues and an environmental strategy extend far beyond the confines of a housing strategy. The environment becomes a housing issue insofar as it requires changes to the way in which housing is planned, constructed, managed and used. In this way, the wider even global impacts of all urban development can be distinguished from the local impact which a particular residential development may have on the fauna and flora, the visual beauty of the area and the quality of water.

A responsible housing strategy would seek to minimise the impact of residential development on the local environment whether this environment is of very high value (as in many areas of the Dandenong Ranges) or whether it regarded as of lesser value. However, it is within the context of an environmental strategy rather than a housing strategy that the complexity of the possible impacts of residential development on the environment and various ways of mitigating these impacts is to be identified, explored and understood.

The environmental sensitiveness of an area may not be an absolute limitation on further development. Providing due regard is given to sensitive environmental issues and mitigating strategies are incorporated into the design, construction, management and use of dwellings, some further development may be viable in many areas. The initial task, however, is one which must be undertaken as part of an environmental strategy rather than a housing strategy.

**Key challenge/issue 7: to ensure that new housing developments are reasonably consistent with the local neighbourhood character**

The diversity of population centres in the Shire, each with their own character and specific issues and problems, means that any housing and planning policies have to be sensitive to local needs. Council’s Local Neighbourhood Character study highlights one aspect, the landscape aspect, of this local character and sensitivities.

Local neighbourhood character is difficult to define. It is ever shifting and changing. Different strategies – economic, land-use, transport, community development, and physical and social infrastructure – along with housing can each play an active role in the revitalisation or development of a neighbourhood. However, any shift in Council policy, and any new and perhaps somewhat different directions for a local area, will conflict with current community expectations of a local area and the local neighbourhood character. It is important, therefore, that not only the ‘landscape’ aspects of neighbourhood are identified and understood but that they are also identified and understood in relation to the dynamics of local communities, the local economy and the local environment.

There is no doubt that multi-unit housing will alter the general character of an area. But such changes, whether in relation to different forms of housing or the pace at which they are introduced, have their limits and must in some way be a development or expansion of what already exists.
Key challenge/issue 8: to ensure that Council’s strategic land-use planning scheme work to meet Council’s housing objective, in particular, diverse housing forms in appropriate locations

Changes to Council’s strategic land-use planning scheme is one among a number strategies through which Council can achieve its housing objectives. This scheme brings together a broad range of issues as one way of giving effect to Council’s vision for the Shire. Land-use planning links with the range of strategies – environmental strategy, heritage strategy, economic strategy, physical infrastructure strategy, transport strategy etc. The key housing issue which the strategic land-use planning scheme needs to address is diverse housing forms in appropriate locations.

Currently Council designates medium density areas. Although there may be good reason for restricting growth in many areas, the rationale for the demarcation of these areas appears vague or missing, and may be based on outdated information. A review of the actual areas designated is warranted using a clear and consistent set of criteria such as heritage, the environment and local neighbourhood character. These criteria could also vary according to location. In this way Council may identify potential new and additional areas for medium density housing.

Such a policy framework for medium density developments policies can facilitate a more diverse housing stock throughout the municipality, assist in directing medium density developments and identify the type of housing forms which are appropriate to particular locations. It can also provide clear directions and guidelines for developers, provide a basis for planners to assess applications (and for Council to reject medium density developments that do not meet the criteria), and provide some assurance to residents about the extent and limitations on future development applications.

Part D: Context for a Yarra Ranges Housing Strategy and Action Plan

Local government can influence the direction of housing through various mechanisms:

- **Planning system**: Influencing the types and location of housing through the planning system, for example, developing policies that encourage diversity in stock size, affordability, and water and energy efficient design
- **Advocacy and educator**: Taking on a role as advocate and educator of desired housing outcomes, for example, educating developers about environmentally sustainable design
- **Facilitation**: Facilitating social housing, for example, identifying sites, fast-tracking planning assessment and donating land
- **Community development**: Engaging in community development, for example, coordinating infrastructure and services in new housing areas, coordinating services for low income people in vulnerable private housing such as caravan parks and rooming houses, and providing rate relief to sustain the financial viability of low cost accommodation
- **Partnership**: Entering into partnerships or joint ventures for affordable housing, for example, contributing to an urban renewal process with social housing providers and establishing not-for-profit housing companies.

These powers and activities outline the parameters for the Yarra Ranges Housing Strategy and Action Plan. It is around such activities that particular strategies and actions can be reasonably developed.
Part E: Towards a Yarra Ranges Housing Strategy and Action Plan

Accommodating growth in households/population

A key issue confronting the Shire is whether to encourage and facilitate population growth. Such a decision is not made on housing grounds, but on social and economic grounds. However, the provision of housing will be critical to the implementation of any decision regarding population growth in the Shire. The Shire can work towards one of three broad scenarios:

Scenario 1: Do nothing and allow the population of the Shire to slowly reduce over time as household sizes decrease and the population ages

Scenario 2: Work to maintain the current level of population

Scenario 3: Actively facilitate population growth in the Shire.

The housing implications of each of these three scenarios varies. Under Scenario 1, the nature of housing will change little and the focus will be on renovation, upgrade and redevelopment of current dwellings as they age. Under Scenario 2, the Shire will need to construct new dwellings as average household sizes decrease but this will be at a minimal rate. Under Scenario 3, the Shire will need to construct new dwellings to cater not only for the decrease in average household sizes but for new residents. The extent of new construction will depend upon the growth in population.

A Housing Strategy based on Scenario 3 provides the greatest challenge. It is on this basis that the following framework for developing a Housing Strategy and Action Plan is proposed along with some directions for further exploration. This framework and possible directions do not advocate or propose population growth, rather they indicate the ways in which the Shire, if it proposes to grow, can implement this population growth policy.

This section sets out a strategic overview and does not specify what needs to be done. It proposes a strategic approach to residential development rather than the current piecemeal response to particular issues of concern. Five steps are proposed as the basis for expanded residential development in the Shire as follows:

- **Identification of growth nodes** within which to concentrate household growth, based on specified criteria or attributes.
- **Identification of land** suitable for residential development within these growth nodes.
- **Development of structure plans/framework** for each growth node. These planning controls would vary from node to node according to their particular attributes and also be included in the planning scheme as local policies.
- **Review of urban growth boundaries** with the structure plans/framework providing a context for re-setting boundaries based on clearly articulated and demonstrated criteria.
- **Determination of the location of Activity Centres**: Both of the current Activity Centres, Lilydale and Chirnside Park, have significant limitations. One alternative that could be further investigated is Mooroolbark: it is central to the majority of the population, located on a railway line, and strongly related to an existing urban area with a potential for more intensive residential redevelopment.

**Housing diversity development framework**

Facilitating housing diversity is the key to encouraging a diverse range of households to reside in the Shire.

Under current planning arrangements, Council has some limitations on its powers to reject and control multi-unit developments. However, it can incorporate specific policies within the planning scheme. These can provide clear guidelines for developers as well as strengthen its case for refusal
of non-conforming applications. For this reason, the Shire should develop and adopt a housing diversity development framework which incorporates:

- Local policies and guidelines, developed in consultation with residents and developers, which provide for general and area-specific multi-unit housing and which act as controls over residential development
- Criteria for determining guidelines for identified development locations. These criteria would cover:
  - The physical environment
  - The economic and social environment
- Design guidelines to ensure that multi-unit housing is of good quality and standard
- Density bonuses and/or accelerated approval process for applications which meet design guidelines
- General and area-specific policies and design guidelines which can be incorporated into the planning scheme
- Encouragement of demonstration projects of multi-unit housing developed in partnership with a private sector
- Ongoing education programs for developers relating to standards, criteria, areas and processes for multi-unit housing developments
- Similar education programs for residents about policies and rationale for multi-unit housing as well as the standards, criteria, areas and processes that Council has put in place to protect the environment, the historical significance and neighbourhood character of different areas in the Shire.

Addressing affordability

Council has some limited scope within current planning provisions to address the issue of housing affordability. In the long term, however, changes are required to planning legislation to ensure that housing affordability is a consideration under local planning schemes. Council has an important advocacy role in changing planning legislation.

Council can address housing affordability through two broad strategies: first, increase the supply of housing generally, and second, increase the supply of affordable housing.

Strategies which can increase the supply of housing generally include:

- Development of price points for affordable housing based upon the decile income points for the Shire (see page 37), such that development applications provide housing at a range of prices to cater for the different income groups across the deciles. These price points can become the basis for inclusionary zoning (when introduced by the Victorian government)
- Introduction of a premium on rates for vacant residential allotments, reducing the need to release further land or to increase land prices due to the scarcity of vacant land
- Inclusion of additional and compensatory resources in areas of social exclusion
- Education for developers and community in ways to reduce house-building costs.

Strategies which can increase the supply of affordable housing for specific groups include:

- Establish an inventory of the current use of government land (Commonwealth, state and Yarra Ranges) and an assessment of their appropriateness as affordable housing. Yarra Ranges could play a role as a facilitator of public/private partnerships whereby governments provide land at cost for residential developments.
Facilitation and support of the increased provision of social housing in the Shire by:
  - Provision of rate exemptions or waivers to social housing providers
  - Establishment of negotiated arrangements with nominated housing associations, e.g. Community Housing Ltd or Supported Housing Ltd, to undertake projects for specified housing groups

Facilitation of the development of single person units or rooming houses.

**Specific issues/groups**
Two specific housing issues require particular attention: housing for older persons and caravan parks. For the former, Council needs to prepare guidelines and criteria for age-specific housing developments. For the latter, Council needs to formulate design and planning requirements that take into account permanent as well as short-term residents, e.g. greater planning control over the layout and amount of space per unit.

**Housing and other related strategic areas**
A Housing Strategy must complement and be complemented by a range of other local strategies. In the course of developing this Housing Strategy Issues Paper, it became clear that some of these local strategies still require further work if a Housing Strategy is to succeed. Four areas of particular note are:

- Public transport strategy: current transport links, particularly throughout the Yarra Valley, are weak and inadequate, and any further residential development should only be considered on the basis of an extension of the Melbourne public transport network, especially fixed rail, to these areas
- Environment strategy: this should specifically address the impact of residential development, and outline performance criteria and possible strategies to mitigate the impact of residential development on sensitive environmental areas
- Utilities strategy: further extend the sewerage network to mitigate the impact of residential development
- Community services – aged services strategy: over the next 20 to 30 years, the demand for services to support people within their homes will also grow dramatically, particularly in the 75-plus age group. Council could ensure that services are well used in rural areas by facilitating/developing housing for older persons within local townships in order to attract those currently living on rural and isolated allotments.
PART A:

BACKGROUND
(1) Introduction

Housing is of prime concern to all of us. It forms the central part of our social life and a base for our personal relationships. It is a major contributor to our sense of identity and security. For many, it is also the single most important asset, both for themselves and their children. At the local government level, it is important for its effects on household structure, service needs and rate revenue, and its direct and indirect impacts on economic development.

For these reasons, housing should be a prime focus of governments at all levels. While, in the past, local government has traditionally not seen housing as a core responsibility, it has nevertheless involved itself in peripheral aspects of housing: local amenity, family and household welfare. It has however shied away from a central role, leaving this responsibility to the states and the Commonwealth.

As a result of recent broad social, economic and political changes, local government has begun to take a greater interest in housing, encouraged in part by market changes such as house price inflation which has eroded housing affordability, and the growth of higher density housing in response to demographic change. Also important have been changes in the pattern of government housing assistance, with the Commonwealth shifting away from support of public housing and embracing instead private rent assistance and a generous first home owners’ scheme. Adding to the pressures for increased local government involvement is the direct encouragement by the Victorian government for local government to develop policies and planning strategies related to housing, especially via their Municipal Strategic Statement (MSS).

In December 2002, the Shire of Yarra Ranges adopted a Housing Policy with the key objective:

*To achieve quality housing outcomes that meet the needs of current and future populations by providing a framework to integrate social and planning issues in relation to housing in a manner that protects and enhances the natural and built environment.*

As part of that same policy, Council identified five Key Result Areas (KRAs) as follows:

- To ensure growth of housing in appropriate locations
- To diversify the housing type and tenure to meet housing needs
- To promote quality environmental performance and design through energy and water efficiency and protection of vegetation and habitats
- To ensure housing is accessible for those with specific needs
- To ensure the provision of affordable housing.

In order to implement this policy along with its KRAs, Council is now seeking to develop a comprehensive Housing Strategy and Action Plan (HSAP) which:

- Is practical
- Will create a coordinated and strategic approach to housing issues
- Establishes a clear planning and decision-making framework for both internal and external stakeholders
- Will build on current housing-related activities, policies and strategies.

The scope of the HSAP will encompass consideration and clarification of the role which Council can play in relation to a range of outcomes including:

- Residential densities and appropriate residential developments
- Sustainable development
• Provision of appropriate and affordable housing
• Public transport and pedestrian movement
• Liveability and sense of place within the different areas of the Shire
• Urban planning and design
• Public open space and community facilities
• Safety
• Use of services and infrastructure.

Council engaged Swinburne University of Technology’s Institute for Social Research to develop this HSAP.
(2) The approach of this report

A housing strategy is increasingly becoming a necessity for local governments. Housing is fundamental to the wellbeing of their residents, the proper functioning of communities and the achievement of a range of other local strategies.

The scale, range and complexity of housing issues and problems that local government will have to deal with over the next 20 years is probably greater than at any time in the last 50 years. In part this is because of a change in the Commonwealth and Victorian policy environment as well as changes in the social, economic, demographic and environmental context of metropolitan Melbourne, Victoria and Australia.

This introductory section therefore seeks to do five things:

- To distinguish housing issues from a range of other issues and in doing so highlight the ways in which housing relates to other areas
- To consider the relationship between a local government housing strategy and a range of other local government strategies
- To outline the methodology underpinning the development of a Housing Strategy and Action Plan (HSAP) for the Shire of Yarra Ranges
- To outline how this paper relates to the subsequent development of a HSAP
- To outline the structure of this paper.

2.1 Housing in relation to other issues

Council is seeking to develop a HSAP within the context of its overall vision for the Shire as outlined in Vision 2020. The housing strategy is but one component of a range of strategies designed to achieve this vision. It therefore needs to complement and/or integrate with other strategies.

But before a housing strategy can be developed and integrated with other Council strategies, it is important to understand what the issues are and to assess the current state of housing in the Shire. Such an assessment recognises that there are specific questions about housing and that this assessment is primarily about housing outcomes for the residents of the Shire. These outcomes depend upon a range of factors such as those illustrated in Figure 1 below.

So housing outcomes will depend upon the geography of an area including its topography, its environmental sensitivity and its relationship to other areas. The type of housing needed will depend upon who it is for, so housing can differ between families, older persons and young people. Housing is formed by the available building materials and the available technologies: where once a dwelling could not be built, it now can be built. Housing is also more subtly changed by the cultural values, so the relationship between houses can reflect individual preferences for allotments or more communal arrangements, houses can reflect preferences for private open space, for garden environments, for different types of rooms with different relationships etc.

Similarly, whether a house gets built depends upon whether it is economically viable, whether skilled tradesmen are available and whether land is available. Where houses are built will depend upon how the community (through its government) allocates some land for housing, some for transport, some for retail, some for industry etc.
Figure 1: Factors influencing housing

- Social values
- Cultural infrastructure
- Topography and climate
- Natural environment
- Housing market
- Demography
- Physical infrastructure
- Urban design
- Building design
- Technology
- Land use
- Building materials
- Social diversity
- Housing as built form
- Technology
- Building design
- Land use
- Building materials
- Social diversity
A housing strategy is more than a planning strategy, although the latter is a fundamental part of the former. Local government cannot rely solely upon a planning strategy or changes in its planning scheme to meet housing issues of the scale, range and complexity now apparent. Land-use planning decisions and actions are one strategy for achieving a range of housing and other objectives. Similarly, environmental considerations in house design, siting etc. have broader social and economic implications. Therefore, planning issues need to be considered as part of an integrated approach to a housing strategy.

Nevertheless, the planning and approval system is important because housing is a permanent fixture which changes the landscape and has a life of 50 years or more. But to some extent housing can be re-formed both internally – it can be subdivided, new parts can be added – and externally – trees and shrubs can change its appearance, roads and footpaths can provide better access, other houses can be built around it, services can be located in close proximity or withdrawn etc.

Initially, then, the concern is with housing outcomes and the extent to which the interrelationship between housing and a range of other factors has provided residents with adequate and appropriate housing that is affordable. In Figure 1 above a number of these other factors – demography, land use, natural environment, physical and social infrastructure – are highlighted. These are first order factors which will drive the form, location, affordability and appropriateness of the housing stock in the Shire. These factors will be specifically considered throughout this report. Some key questions follow:

- Does the current stock provide housing which is appropriate to a diverse range of households?
- Is housing generally affordable for this diverse range of households?
- How will demographic trends impact on the appropriateness of the housing stock?
- How are land-use decisions impacting on form and location of housing stock?

This first phase then seeks to identify and analyse housing issues. Already, Council has undertaken a parallel but separate process which has identified and analysed issues in other areas. In some areas Council has also developed local strategies to meet the identified issues.1

As this project moves from the first phase (of identifying and analysing issues) into the second phase (of developing strategies in response), the interrelationship between housing and other issues becomes critical. The HSAP with its particular strategies will be developed within the context of Vision 2020, the overall vision for the Shire. Through this it will also link with other local strategies. Thus two types of strategies can be distinguished: those that are specifically concerned with housing outcomes and are primarily only relevant to these outcomes, and those that relate to other local strategies. This second type can relate to other strategies in two ways.

First, the objectives of one or more of the other strategies can only be achieved through particular housing strategies. Thus, these strategies are not particularly important for housing outcomes but they are for outcomes in other areas. For example, one of the ways in which aged care services can more effectively achieve their objective is through a housing strategy which encourages older people in isolated areas to move into local townships where such services can more easily be provided. This housing strategy is essential to an aged care strategy achieving its objective. The aged care strategy has its own objectives, most of which do not rely upon the housing strategy and can be pursued without reference to the housing strategy. But particular objectives cannot be achieved without reference to the housing strategy.

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1 See Section (11) for a discussion of other Yarra Ranges strategies such as Vision 2020, economic development strategy, public transport strategy, land-use planning, municipal strategic statement, neighbourhood character study and urban design framework. Other work includes various township plans, pedestrian and bicycle network, health and wellbeing profile, cultural facilities strategy, disability action plan, learning communities policy and major activity centre structure plans.
Second, one or more objectives of the housing strategy may only be achieved through other related strategies. For example, housing depends upon adequate physical infrastructure which provides water and sewage etc. While the housing strategy has particular objectives, it will depend upon other strategies to achieve them.

Figure 2 below illustrates this dual relationship between the housing strategy and a range of other local strategies. Each of these has their own concerns and pursues these (as illustrated by the light blue arrows moving outward). However, the achievement of particular outcomes in each strategy may depend upon particular housing strategies and vice-versa (the dark blue arrows moving both ways between the housing strategy and other strategies). These relationships operate within the overall context of the Shire’s Vision 2020 and Council Plan 2004-2008. The former outlines a vision for the Shire and its guiding principles, while the latter outlines the sustainability principles which underpin the work of Council.

In any development or review of these local strategies, it is important that each consider both the housing implications of the strategy as well as how housing strategies can contribute to the achievement of the objectives of the particular strategy. However, it is equally important to acknowledge the constraints on local government and the limited degree to which it can address many of the issues it is confronted with. Australia has an institutional context (including the particular nature of its federal system of government and its policy environment) which does not give local government the planning and fiscal levers that it has in many other advanced industrial countries. Local government has limited land and property ownership, limited taxing power and none of the policy levers which Commonwealth or state governments use to assist in creating outcomes in key housing areas such as affordability. Moreover, the planning system is viewed narrowly and gives little effective power to local government to effect broader social outcomes. It is therefore necessary to guard against excessive expectations of what local government can achieve by way of housing outcomes.

### 2.2 Methodology

The HSAP is the conclusion of a long process. This process consists of a number of stages which cumulatively ensure that it is based on what is happening in the Shire and the understanding and interests of various stakeholders – residents, Councillors, Council staff, industry, community organisations, Victorian government and Commonwealth government. The four stages are:

- Stage 1: Data and policy analysis
- Stage 2: Consultations with stakeholders
- Stage 3: Issues identification
- Stage 4: Development of a HSAP

**Stage 1: Data and policy analysis**

The key task of this initial phase is to provide a comprehensive analysis of the complex social and economic issues facing the Shire in relation to housing development and future needs.

It has four components:

- A statistical analysis of the key data on the Shire of Yarra Ranges: population and demography, tenure and tenure changes, housing starts by type, trends in affordability, housing needs and housing supply, the labour market, income, household types, ageing, migration trends, cultural diversity, journey to work, labour force. Various sources of data are used: Census and other ABS data, Valuer-General, Centrelink, Department of Sustainability and Environment (DSE), Department of Human Services and Office of Housing.
Figure 2: Relationship between the Housing Strategy and other local strategies
• A review of Victorian and Commonwealth policy frameworks such as the Commonwealth-State Housing Agreement (CSHA), Melbourne 2030 and the strategic plans of Victorian government departments.

• A review of land-use planning policies and practices such as the Municipal Strategic Statement, township strategies, Urban Design Frameworks and Major Activity Centre Structure Plans.

• An analysis of relevant Council policies, strategies and reports in order to integrate the housing strategy with other dimensions of Council activity.

This stage has now been completed and is reported on in various sections of this paper.

Stage 2: Consultations with stakeholders
While the first stage focuses on analysing secondary data, the consultative process focuses on drawing out mainly qualitative data from stakeholders, broadening our understanding of the issues as well as the particular interests of stakeholders. Stakeholders include:

• Local residents and organisations
• Community organisations – housing and housing-related organisations
• Housing industry – builders, developers, estate agents, retirement village operators
• Council staff – planning and building department staff, community service staff
• Government departments.

This stage has now been completed. A summary of these consultations can be found in Section (6) of this paper and Appendix 4: Report on consultations with stakeholders.

Stage 3: Issues identification
The previous two stages sought to gather relevant data about the current state and trends in housing and housing-related services within the Shire. The first major output of the HSAP is this Housing Strategy Issues Paper which focuses specifically on the issues that Council will need to address if it is achieve the five KRAs of its housing policy. This is a critical piece of work which brings together the results of work in previous stages. It also sets the stage for the development of the HSAP.

Stage 4: Development of a HSAP
This final stage will set out a range of strategies along with specific actions, the resources required to implement them, a staged timeline and the expected housing outcomes of each strategy.

2.3 This Housing Strategy Issues Paper
This Housing Strategy Issues Paper is the first of two reports that will form the HSAP for the Shire of Yarra Ranges.

The purpose of this paper is to identify the key issues and problems confronting the Shire and Council as it seeks to implement its housing policy. The focus is on identifying the key issues rather than evaluating or discussing various strategies for addressing these issues. These are complex issues. Without a good understanding of the key issues, strategies and actions may not adequately address the real issues, are apt to miss the mark and even compound the problem. Without agreement on what the real issues are, the stakeholders are apt to work at cross-purposes rather than together. The questions this paper is trying to answer are:

• What are the key issues for the Shire?
• What are the key problems confronting housing in the Shire?
• What could be improved?
Once the key issues have been properly and accurately understood, the next stage of the project is to develop ways of addressing them and developing a HSAP.

The identification of the key issues in the Housing Strategy Issues Paper will pinpoint areas where housing outcomes may be improved and where there may be opportunities for Council to stimulate or promote better housing outcomes. This paper does not propose any strategies or actions. However, it does raise some of the implications for strategy development posed by the analysis of the data. The second report will explore various strategies and propose a comprehensive Housing Strategy and Action Plan.

2.4 The structure of this paper

This paper is divided into five parts:

- Part A provides some background to the HSAP and the approach this paper takes to its development.
- Part B is concerned with the Shire, with a particular focus on what is happening in the housing market. This part outlines relevant statistical material as well as qualitative material from consultations with stakeholders.
- Part C identifies and frames the key issues and challenges for Council in developing a HSAP.
- Part D outlines the context within which the key issues and challenges for Council can be framed as a precursor to a HSAP. This context reviews the roles, responsibilities and powers of Council, the Shire’s housing market within the wider metropolitan housing market, and the impact of Commonwealth and Victorian government policies.
- Part E provides an overview of proposed directions for addressing the key issues and challenges.
PART B:

THE SHIRE OF YARRA RANGES
(3) Introduction to an analysis of the Shire of Yarra Ranges

The Shire of Yarra Ranges is a large, diverse and complex Shire containing very different areas of rural and urban land. It has a large sparsely populated area in its eastern half. It contains areas which are environmentally sensitive. Its topography consists of the mountainous regions such as the Dandenong Ranges (which have contained the urban expansion of Melbourne), foothills and the floodplains of the Yarra Valley with its fertile land. It contains important and substantial areas of native vegetation and significant wildlife.

The current pattern of residential development in the Shire is the outcome of a broad range of policies pursued by Commonwealth and Victorian governments since the 1950s, but more particularly in the 1970s and 1980s. Employment policies, decentralisation policies, finance and investment policies have all affected housing, especially the increasing dominance of owner occupied housing and a parallel diminution of social (particularly public) housing. The Shire has relatively few public housing dwellings because its most rapid phase of urbanisation (the 1970s) occurred once the peak of public housing construction was over.

It is difficult, in a few words, to summarise the key characteristics of residential development in the Shire, but the following are some of the more notable ones:

- The Shire is one of the largest municipalities in Melbourne, both in land area and population.
- The most urbanised and populated area is the small western portion. This was mainly developed in the 1970s and 1980s, with strong emphasis on detached housing for family type households.
- There are around 40 townships and villages both in the ‘hills’ and the ‘valley’. Many of these had their roots in small settlements in the late 19th and early 20th centuries, and have developed a strong community spirit and involvement. They particularly value the local environment. While these areas contain only a small portion of the population, their complexity and diversity present many challenges for Council, including the delivery of services and particular housing issues.
- Two regional centres on the edge of the metropolitan area, Lilydale and Belgrave, are major connections points between the rural parts of the Shire and metropolitan Melbourne:
  - Lilydale to the north, at the terminus of a metropolitan railway line, services most of the east and north of the Shire
  - Belgrave to the south, also at the terminus of a metropolitan railway line, services parts of the Shire’s southern ranges and foothills, but also parts of neighbouring Shires to the east and south
  - These two regional centres are separated by the Dandenong Ranges which makes links between them difficult
  - The two centres have different types of industries: manufacturing in Lilydale, and tourism in Belgrave.

The key task of Part B is to answer the question: What is happening in the Shire of Yarra Ranges in relation to housing? Section 4 outlines selected demographic and socio-economic data. Section 5 specifically focuses on the housing market, including housing affordability. Section 6 reviews current planning arrangements in relation to housing. Section 7 fills out the data analysis with the views of various stakeholders.

This Issues Paper is concerned with identifying current and future housing issues or problems in the Shire. The current and future adequacy, standard and appropriateness of housing is influenced by a
complex array of elements that largely determine the supply and demand for housing. Thus, this part of the paper, particularly Section (4) and Section (5), explores the following local factors:

- The changing demographics, to ascertain trends in population, age groups and household types
- The local economy, to ascertain possible movements in employment, occupations and industry
- Who is moving into the Shire and who is moving out, to ascertain migration trends and the characteristics of people moving in and moving out of the Shire
- Dwelling structure, location of units and tenure, to ascertain whether the current supply of housing matches possible future demand
- House and unit sales and median price movements to ascertain trends in the housing market and whether it will provide affordable housing
- The private rental sector, to ascertain its role in the housing market
- The social housing sector, to ascertain whether it can adequately meet current and future demand from low income households.
(4) The Shire of Yarra Ranges: Demographic characteristics

This section explores some key demographic characteristics of the Shire of Yarra Ranges and compares them with Melbourne, Rural Victoria, and Victoria as a whole. A more detailed analysis of different localities within the Shire is provided in Appendix 3: Shire of Yarra Ranges – local area analysis.

4.1 Population trends

(i) Overall population

The population of the Shire in 2001 was approximately 143,000 people. Over the next 30 years, this is expected to grow to approximately 148,000. As Figure 3 shows, this level of growth (2% to 2016) is very low relative to the predicted overall growth patterns for metropolitan Melbourne (17% to 2016) in the same period. It is also especially low in comparison to many outer urban areas, including adjacent municipalities, where most of Melbourne’s growth is expected to take place.

This predicted pattern has considerable implications for the Shire in all facets of its work, but especially housing. Prima facie, it could suggest a low future demand for housing. However, this data needs to be understood in the context of other general Australian data predictions on household size and the appropriateness of the current local housing stock, especially its lack of diversity in form.

The lack of growth is likely to result in several outcomes. Most importantly, overall economic activity will stabilise or even reduce (where, as outlined below, the population ages and levels of spending reduce). In addition, Council revenue via grants, product sales etc. will reduce.

Despite low population growth, it is likely that Council will experience an increased demand for services, especially age-appropriate services (although at the same time the need for some others may diminish). Coupled with this is the likely greater demand for more sophisticated and expensive services, a general pattern in Australian urban development.

But more fundamentally, the predicted pattern of low growth poses a key question for Council: *Does it accept this predicted pattern of growth and act on it (which suggest a relatively low level of action), or take measures to encourage greater population growth?* While the ‘low growth’ scenario will still result in greater demands on Council, particularly for housing-related services, any scenario encouraging increased growth will likely bring about considerable social tensions as key sections of the community resist changes which may appear to threaten their local environment and landscape. Nevertheless, resolution of this question of strategic approach is fundamental to any future strategy, policy development and action. In general, with the weight of pressures suggesting increased growth is necessary, the strategy development is underpinned by an acceptance of some degree of growth.
(ii) Population trends by age groups

Of key importance to future housing trends is population by age groups. Figure 4 below and Table A2-2 in Appendix 2 compares the age structure of Yarra Ranges, Melbourne and Rural Victoria at 2001. Compared with Melbourne and Rural Victoria, Yarra Ranges has a higher proportion of persons under 25 years (40% compared with 34% and 35% respectively) and a lower proportion over 65 years (9% compared with 12% and 14% respectively).

Figure 5, however, traces the trends in age groups over the next 30 years. The most notable change is the increase in the number of persons above 70 years of age. This will increase slowly over the
next fifteen years, but increase dramatically in the following fifteen years to 2031. At the same time, it is projected that in the next fifteen years there will be a dramatic decrease in persons under 20 years, with smaller decreases in the following fifteen years to 2031.

While this data suggests that Yarra Ranges is demographically different from much of the rest of metropolitan Melbourne, it equally poses some dilemmas for future strategy, policy and action. A key problem is what to do in the short term while recognising that this will need to change in the medium to long term. It would appear that, notwithstanding other intervening demographic and social trends, the pattern of demand for services in the Shire will shift over time. This raises the issue of how Council might provide services to a shifting/changing demographic, knowing that demand for some services will alter and, in some cases, become redundant or uneconomic. The key to resolving this dilemma will be to create flexible-use infrastructure, to develop an ability to be flexible in introducing new services while reducing old services, to be flexible in facilitating the supply of appropriate housing forms and, most of all, to be attuned continually to the rate of change.

Figure 5: Population age groups at 2001 and projected for 2016 and 2031

![Population age groups chart]

Source: DSE Victoria in Future (VIF) 2004 Population Projections
Note: See Appendix 1 for an outline of the assumptions underpinning these population projections

4.2 Household trends

(i) Number of households

While the population is expected to stabilise with a projected increase in older persons and decrease in young persons, the size of households is expected to continue to decrease. This pattern is predicted for Australia in general and, indeed, is a phenomenon throughout the western world. Thus, the number of households (and thus demand for dwellings) in the Shire is projected to increase by over 20% between 2001 and 2031, as illustrated in Figure 6. Compared with the expected increase in households for Melbourne (around 48%) and Rural Victoria (nearly 50%), this increase is low. Nevertheless, it represents approximately 11,000 additional dwellings, a figure which must be seen in the light of the need for increased diversity of all housing forms and the
inappropriate form of much of the Shire’s current housing for meeting future demands. For example, large, high maintenance houses on steep sites will not serve the needs of the ageing population, although they may become attractive to younger in-movers, assisting population growth. The general outcome is that, under any scenario, many new dwellings will be necessary. Any increase in population will exponentially increase this demand.

**Figure 6: Household projections by selected areas, 2001-31**

![Graph showing household projections](chart.png)

Source: DSE *Victoria in Future (VIF) 2004 Population Projections*
Note: See Appendix 1 for an outline of the assumptions underpinning these household projections

(ii) Changing household structure

Figure 7 compares the household structure of the Shire with Melbourne and Rural Victoria at 2001. It highlights the relatively high proportion of family type households, and correspondingly the relatively low proportion of lone person and group households.

On the other hand, Figure 8 shows the household structure for the Shire as at 2001 and that projected by the DSE for 2016 and 2031. Couple families with children will decrease significantly, particularly in the next fifteen years, while couples without children and lone person households will grow significantly in this period. The decrease in couples with children will slow down in the following 15 years to 2031, as will the increase in couples without children, but lone person households will continue to increase significantly.

The pattern of changing household structure is related to the number of households, but gives the added dimension of the likely demand for different forms of housing according to number of bedrooms, preferred size of allotment, appropriate location etc. In general it might be assumed that older, child free couples and aged singles will opt for smaller, newer units. However, it should be kept in mind that the Australian housing development pattern over the last two decades has resulted in larger housing units but on smaller housing lots, although this may be generally (but not exclusively) associated with family households.

In general, while in the short term the demand for dwellings suitable for families is likely to continue, by 2020 the demand from an ageing population for smaller, more manageable lots and low maintenance units, already present, is likely to increase. In theory, then, many family type units would become redundant or in low demand (and thus of lower value, reflecting on the potential wealth/spending power of the owners/sellers). One scenario is that these sites are redeveloped as
multi-unit housing, although in the case of many such sites in the Shire, this would be inappropriate due to terrain, location and environmental considerations. This would be especially so should Council adopt a 'preferred development areas’ strategy.

Figure 7: Family type, 2001

![Figure 7: Family type, 2001](image)

Source: ABS Census 2001

Figure 8: Family type at 2001 and projected for 2016 and 2031

![Figure 8: Family type at 2001 and projected for 2016 and 2031](image)

Source: DSE Victoria in Future (VIF) 2004 Population Projections

Note:  
(i) Excludes the SLA of Yarra Ranges Part B  
(ii) See Appendix 1 for an outline of the assumptions underpinning these household projections
4.3 **Income**

Figure 9 below outlines the mean taxable income for the Shire from 1991-92 to 2002-03 and compares it with that of Melbourne. Since 1991-92, the mean taxable income for Yarra Ranges has consistently tracked around $2,500 to $5,000 below that for Melbourne. In 2002-03, the mean taxable income for Yarra Ranges was $37,976 compared with $42,892 for Melbourne. While Melbourne’s mean taxable income over the period increased by 23%, the increase in Yarra Ranges was 17%.

![Figure 9: Mean taxable income, Shire of Yarra Ranges and MSD 1991-92 – 2002-03 ($2003)](source: Australian Taxation Office, Taxation Statistics; CPI from the ABS)

4.4 **Socio-economic conditions**

Socio-Economic Indexes For Areas (SEIFA) is a method of measuring different socio-economic conditions based on a geographic area.2 SEIFA consists of four indexes, with each one summarising a different aspect of socio-economic wellbeing in an area, as follows:

- **Index of Relative Socio-Economic Disadvantage** is derived from attributes such as low income, low educational attainment, high unemployment, jobs in relatively unskilled occupations, dwellings without motor vehicles and other variables that reflect disadvantage.

- **Index of Relative Socio-Economic Advantage/Disadvantage** is a continuum of advantage to disadvantage that takes into account variables relating to income, education, occupation, wealth and living conditions.

- **Index of Economic Resources** reflects the profile of the economic resources of families within an area with variables including those relating to income, expenditure and assets, such as family income, rent paid, mortgage repayments and dwelling size.

- **Index of Education and Occupation** is designed to reflect the educational and occupational structure of communities, such as the proportion of people with a higher qualification or those employed in a skilled occupation.

---

2 See Appendix 1 for a discussion of SEIFA and how the indexes are used in this paper. A more detailed explanation of can be found in ABS (2003).
Table 1 compares the median, minimum and maximum for each SEIFA index for the Shire of Yarra Ranges with that for Melbourne.

<table>
<thead>
<tr>
<th></th>
<th>Advantage/ Disadvantage</th>
<th>Disadvantage</th>
<th>Economic Resources</th>
<th>Education and Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Yarra Ranges</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>1,014</td>
<td>1,044</td>
<td>1,014</td>
<td>991</td>
</tr>
<tr>
<td>Minimum</td>
<td>852</td>
<td>888</td>
<td>881</td>
<td>842</td>
</tr>
<tr>
<td>Maximum</td>
<td>1,145</td>
<td>1,142</td>
<td>1,170</td>
<td>1,162</td>
</tr>
<tr>
<td><strong>Melbourne</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Median</td>
<td>1,035</td>
<td>1,039</td>
<td>1,032</td>
<td>1,021</td>
</tr>
<tr>
<td>Minimum</td>
<td>671</td>
<td>257</td>
<td>728</td>
<td>714</td>
</tr>
<tr>
<td>Maximum</td>
<td>1,300</td>
<td>1,202</td>
<td>1,317</td>
<td>1,293</td>
</tr>
</tbody>
</table>

Source: ABS Census 2001, SEIFA
Notes: (i) See Appendix 1 for methodology (ii) the data includes 2 CDs within the Shire of Yarra Ranges which fall outside the MSD, thus it is slightly different from normal Melbourne data.

The median, or average, for each index is similar to Melbourne as a whole. For example, the median for the Index of Relative Socio-Economic Disadvantage for Yarra Ranges is 1,044, while for Melbourne it is slightly lower at 1,039. The values for CDs within the Shire for this same index range from 888 to 1,142, while for Melbourne they range from 257 to 1,202. Thus, the range within the Shire is within a much narrower band than for the whole of Melbourne (254 compared with 945).

Table 2 below compares the Shire of Yarra Ranges with other Victorian Local Government Areas (LGAs) while Table A2-4 in Appendix 2 ranks the top 25 LGAs for each index. For each SEIFA index, the median for Shire of Yarra Ranges is above – often well above – the median for Victorian LGAs.

<table>
<thead>
<tr>
<th>Victorian LGAs</th>
<th>Advantage/ Disadvantage</th>
<th>Disadvantage</th>
<th>Economic Resources</th>
<th>Education and Occupation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Median</td>
<td>967</td>
<td>1,007</td>
<td>962</td>
<td>969</td>
</tr>
<tr>
<td>Minimum</td>
<td>884</td>
<td>877</td>
<td>874</td>
<td>896</td>
</tr>
<tr>
<td>Maximum</td>
<td>1,173</td>
<td>1,122</td>
<td>1,154</td>
<td>1,180</td>
</tr>
</tbody>
</table>

Shire of Yarra Ranges

Source: ABS Census 2001, SEIFA

The map in Figure 10 shows the distribution of the Index of Relative Socio-Economic Disadvantage in terms of deciles for the Shire. Townships such as Healesville, Millgrove and Badgers Creek have areas that fall into the low deciles (or a relatively high level of disadvantage). This suggests that these areas have high unemployment, many low income earners, low educational attainment, and that those who do work are more likely to be in low skilled jobs. In contrast to this, townships such as Menzies Creek, Ferny Creek, Chirnside Park and Sassafras fall into the higher deciles. This indicates that these areas have few households with unemployed people, few with low income earners and few with low levels of education and training. High scores on this index indicate a lack of disadvantage rather than high advantage.
4.5 Journey to work

At June 2001, just over 67,000 people in the Shire of Yarra Ranges were in the workforce. As outlined in Table 3 below, just over 23,000 (35%) both lived and worked in the Shire. Or, to put it another way, two-thirds of workers left the Shire and worked in other municipalities.

Of those employed, 11% worked in each of the two neighbouring municipalities closer to the Melbourne CBD: the City of Maroondah (7,733) and the City of Knox (7,322). These municipalities are connected with the Shire by major transport routes – the Ringwood-Lilydale railway line and Maroondah highway to the north, and the Ringwood-Belgrave railway line and Burwood highway to the south, although for workers travelling from the eastern part of the Shire there would be additional difficulties in time, costs etc. In addition, approximately 6% of workers living in the Shire work in the City of Melbourne. In contrast, very few work in the neighbouring metropolitan municipalities of Casey, Manningham, Cardinia and Nillumbik or in the neighbouring rural municipalities of Murrindindi, Delatite and Baw Baw. The high proportion of ‘undefined/not stated’ (11%) most likely indicates a high number who have no defined workplace, such as those in the building trades.
Table 3: Journey to work – where residents go to work, 2001

<table>
<thead>
<tr>
<th>Work location</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarra Ranges</td>
<td>23,525</td>
<td>34.8%</td>
</tr>
<tr>
<td>Melbourne (CBD)</td>
<td>4,006</td>
<td>5.9%</td>
</tr>
<tr>
<td>Neighbouring Melbourne LGAs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maroondah</td>
<td>7,733</td>
<td>11.4%</td>
</tr>
<tr>
<td>Knox</td>
<td>7,322</td>
<td>10.8%</td>
</tr>
<tr>
<td>Casey</td>
<td>775</td>
<td>1.1%</td>
</tr>
<tr>
<td>Manningham</td>
<td>709</td>
<td>1.0%</td>
</tr>
<tr>
<td>Cardinia</td>
<td>386</td>
<td>0.6%</td>
</tr>
<tr>
<td>Nillumbik</td>
<td>145</td>
<td>0.2%</td>
</tr>
<tr>
<td>Rest of Melbourne</td>
<td>14,834</td>
<td>22.0%</td>
</tr>
</tbody>
</table>

Rest of Melbourne

Rest of Victoria

Undefined/Not Stated

Balance of Australia

Total 67,560 100%


As at June 2001, the Shire of Yarra Ranges provided work for just over 33,000 workers. 71% of these also lived in the Shire – a high proportion compared with other municipalities. 9% and 6% of the Shire’s workforce came from the neighbouring Melbourne municipalities of Maroondah and Knox respectively.

Table 4: Journey to work – where workers come from to work in the Shire, 2001

<table>
<thead>
<tr>
<th>Residence location</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarra Ranges</td>
<td>23,525</td>
<td>71.1%</td>
</tr>
<tr>
<td>Neighbouring Melbourne LGAs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Maroondah</td>
<td>2,971</td>
<td>9.0%</td>
</tr>
<tr>
<td>Knox</td>
<td>1,986</td>
<td>6.0%</td>
</tr>
<tr>
<td>Cardinia</td>
<td>622</td>
<td>1.9%</td>
</tr>
<tr>
<td>Manningham</td>
<td>530</td>
<td>1.6%</td>
</tr>
<tr>
<td>Casey</td>
<td>430</td>
<td>1.3%</td>
</tr>
<tr>
<td>Nillumbik</td>
<td>187</td>
<td>0.6%</td>
</tr>
<tr>
<td>Rest of Melbourne</td>
<td>2,389</td>
<td>7.2%</td>
</tr>
<tr>
<td>Neighbouring non-Melbourne LGAs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Murrindindi</td>
<td>247</td>
<td>0.7%</td>
</tr>
<tr>
<td>Delatite</td>
<td>6</td>
<td>0.0%</td>
</tr>
<tr>
<td>Baw Baw</td>
<td>23</td>
<td>0.1%</td>
</tr>
<tr>
<td>Rest of Victoria</td>
<td>116</td>
<td>0.4%</td>
</tr>
<tr>
<td>Undefined/Not Stated</td>
<td>25</td>
<td>0.1%</td>
</tr>
<tr>
<td>Balance of Australia</td>
<td>50</td>
<td>0.2%</td>
</tr>
</tbody>
</table>

Total 33,107 100%

It would appear that, of those who live and work in the Shire, a large proportion work very locally, in the same SLA (possibly at their place of residence). Table 5 below indicates the movement of people from their residence to their workplace within the Shire. 74% of those who both lived and worked in the Shire lived in the south-west SLA which incorporates most of its urban areas. Indeed, 91% of these also worked in the same SLA. Similarly, 83% and 78% of those living in the central and north SLAs also work in the same SLA. Only a small proportion of those in the east of the Shire both lived and worked in the same SLA, probably reflecting the lack of employment opportunities in that area.

<table>
<thead>
<tr>
<th>SLA of Usual Residence</th>
<th>South-West</th>
<th>Central</th>
<th>North</th>
<th>Part B (East)</th>
<th>Total</th>
<th>% same SLA</th>
</tr>
</thead>
<tbody>
<tr>
<td>South-West</td>
<td>16,691</td>
<td>1,049</td>
<td>680</td>
<td>19</td>
<td>18,439</td>
<td>91%</td>
</tr>
<tr>
<td>Central</td>
<td>255</td>
<td>2,092</td>
<td>109</td>
<td>53</td>
<td>2,509</td>
<td>83%</td>
</tr>
<tr>
<td>North</td>
<td>345</td>
<td>2,092</td>
<td>109</td>
<td>53</td>
<td>2,431</td>
<td>78%</td>
</tr>
<tr>
<td>Part B (East)</td>
<td>12</td>
<td>80</td>
<td>32</td>
<td>22</td>
<td>146</td>
<td>15%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>17,303</strong></td>
<td><strong>3,412</strong></td>
<td><strong>2,712</strong></td>
<td><strong>98</strong></td>
<td><strong>23,525</strong></td>
<td></td>
</tr>
<tr>
<td>% living in SLA</td>
<td>73.5%</td>
<td>14.5%</td>
<td>11.5%</td>
<td>0.5%</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

*Source: ABS Census 2001, Working Population Profile, unpublished data*

Disproportionately more residents travel to work outside the Shire, while only a small proportion come from neighbouring municipalities to work there. The Shire is thus predominantly a residential or ‘dormitory’ area. The railway and major highways are critical links for residents to employment (and other purposes such as education).

Nevertheless, in general, journey to work trips appear to be relatively short in comparison with many other outer metropolitan municipalities where residents engage in long CBD directed or cross-metropolitan trips. In many ways this is good news as it reduces travel, thus reducing personal costs, as well as the relative need for transport infrastructure.

Nevertheless, for those who do travel, and they constitute a large proportion of the overall population, many barriers are (and will remain) present. Any financial or physical constraints tend to impact on employment prospects, and thus on overall wealth and economic activity. If journey to school and shopping trips are included and are similarly constrained, they exacerbate the problem of transport and access. While Melbourne 2030 envisages increased transport options, especially public transport, it is unlikely to impact on the Shire of Yarra Ranges. And while an improved road system will help, it will not solve the complex problem.

For these reasons, movement and access (to work, education, commerce and social infrastructure facilities) in the Shire is likely to remain constrained. While these constraints possibly impact most on the young and working population, in future they will likely represent significant barriers to the movement of the ageing population. Similarly, it will constrain the efficient and economic delivery of appropriate services. For this reason, it is likely that strategies and policies which tend to group the population in ‘urban nodes’ (as far as is possible) will be the most successful medium- to long-term solution. This, along with several other issues, points to the development of a ‘consolidation’ strategy. While it is fanciful to assume a scenario of no dispersed settlements, and thus the issue of access and movement will remain, a strategic planning approach will attenuate the problem by grouping service delivery, thus creating urban efficiencies.

### 4.6 Who is moving in and who is moving out

Despite the relatively low population growth of the Shire, there is considerable residential movement. Indeed, Australians as a whole appear to move residence quite frequently, with an
average stay of five years at any one address. This section examines who is moving into and out of the Shire of Yarra Ranges. Three particular characteristics are explored in the tables below.

Table 6 selects two age groups, those of working age between 25-59 years and those who have retired or are about to retire. The total population within these two groups in 1996 was 80,036, of whom 64,713 (81%) stayed within the Shire, 15,323 (around 20%) moved out the Shire and 20,364 moved in, providing a net movement into the Shire of 5,041, an increase of 6.3%. The breakdown by age group shows a balance between the age groups for in-movers and out-movers with 86% of in-movers in the working population and 85% out-movers in the working population. Thus, movements of residents in and out of the Shire are not changing the age structure.

Table 7 indicates the movement pattern of those over 25 years according to their tenure. Most notably, a large proportion of in-movers (48%) are moving into dwellings which are being purchased. On the other hand, a relatively large proportion of out-movers (27%) are moving out of private rental dwellings (compared with 10% of the population living in private rental in 1996). As a result, three particular movements of the adult population in relation to the type of tenure they live in can be noted:

- Away from dwellings which are fully owned (a decrease from 43.2% adult population to 41.3% adult population)
- Towards living in dwellings which are being purchased (an increase from 40.7% adult population to 43.0% adult population)
- Away from living in private rental (a decrease from 10.1% adult population to 8.3% adult population).

Table 8 indicates the movement pattern for male workers over 25 years according to their income. Unlike other municipalities, this table indicates a relatively stable population according to income. In other words, the housing market is not changing the type of households coming into the Shire compared with those leaving. This contrasts with Dandenong where more higher income earners are leaving the municipality and are being replaced by more lower income earners, or with Nillumbik where lower income out-movers are being replaced by higher income in-movers.

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3 A more preferable measure of income is ‘household’ income. However, as households form and reform between censuses, this cannot be adequately measured. The alternative best measure of shifting income patterns is the income of male workers.
Table 6: Movement pattern by selected age group

<table>
<thead>
<tr>
<th>Age Group</th>
<th>1996</th>
<th></th>
<th>2001</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>25 – 59 years</td>
<td>63,841</td>
<td>80%</td>
<td>50,770</td>
<td>78%</td>
</tr>
<tr>
<td>60 and over</td>
<td>16,195</td>
<td>20%</td>
<td>13,943</td>
<td>22%</td>
</tr>
<tr>
<td>Total</td>
<td>80,036</td>
<td>100%</td>
<td>64,713</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 7: Movement pattern by tenure

<table>
<thead>
<tr>
<th>Tenure</th>
<th>1996</th>
<th></th>
<th>2001</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Fully owned</td>
<td>34,607</td>
<td>43.2%</td>
<td>30,602</td>
<td>47.3%</td>
</tr>
<tr>
<td>Being purchased</td>
<td>32,601</td>
<td>40.7%</td>
<td>26,726</td>
<td>41.3%</td>
</tr>
<tr>
<td>Private Rental</td>
<td>8,065</td>
<td>10.1%</td>
<td>3,877</td>
<td>6.0%</td>
</tr>
<tr>
<td>Other Rented</td>
<td>3,373</td>
<td>4.2%</td>
<td>2,307</td>
<td>3.6%</td>
</tr>
<tr>
<td>Not Stated</td>
<td>1,390</td>
<td>1.7%</td>
<td>1,201</td>
<td>1.9%</td>
</tr>
<tr>
<td>Total</td>
<td>80,036</td>
<td>100%</td>
<td>64,713</td>
<td>100%</td>
</tr>
</tbody>
</table>

Table 8: Movement pattern by income

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Negative income &amp; nil income</td>
<td>734</td>
<td>2.2%</td>
<td>504</td>
<td>2.0%</td>
</tr>
<tr>
<td>$1 to $399</td>
<td>5,509</td>
<td>16.2%</td>
<td>4,116</td>
<td>16.3%</td>
</tr>
<tr>
<td>$400 to $599</td>
<td>6,698</td>
<td>19.7%</td>
<td>5,049</td>
<td>20.0%</td>
</tr>
<tr>
<td>$600+</td>
<td>19,292</td>
<td>56.6%</td>
<td>14,590</td>
<td>57.9%</td>
</tr>
<tr>
<td>Not stated</td>
<td>1,842</td>
<td>5.4%</td>
<td>937</td>
<td>3.7%</td>
</tr>
<tr>
<td>Total</td>
<td>34,075</td>
<td>100%</td>
<td>25,196</td>
<td>100%</td>
</tr>
</tbody>
</table>

(5) The Shire of Yarra Ranges: Housing market

5.1 Trends in the housing market

(i) Dwelling structure

Figure 11 below and Table A2-5 in Appendix 2 outline the type of dwellings within the Shire of Yarra Ranges compared with Melbourne, Rural Victoria and Victoria overall. Most noticeably, there is a higher proportion of separate houses and very low proportion of row/terrace houses and flats. This proportion, particularly of flats, is very low even compared with the Rural Victoria.

This predominance of separate houses has significant implications for a housing strategy, especially in the light of the demographic trends noted earlier. In particular it highlights the lack of choice for different housing forms and for age/life-cycle appropriate housing. While there are many municipalities where this comment could be made, it may have particular significance in Yarra Ranges. The lack of multi-unit housing probably constrains the pattern of population growth, i.e. because prospective buyers find little multi-unit housing available, there is low demand, and low demand results in low supply. The pattern is iterative.

However, all data within the Shire (and in Australia in general) suggests a shifting pattern of demand and supply, especially based on the pattern of ageing. In general, the demand involves more multi-unit housing. Yarra Ranges presents relatively few opportunities to develop greater variety of housing form, especially as new sites are limited. The current planning restrictions also tend to restrict greater variety of housing form. But perhaps even more significantly, there is considerable community opposition, especially in the townships and hills areas.

Figure 11: Dwelling structure

Source: ABS Census 2001
Note: Other dwellings includes (i) caravan, cabin, houseboat (ii) improvised home, tent, sleepers out and (iii) house or flat attached to a shop, office etc.
This rejection of and resistance to multi-unit housing is not unusual, and has a long and unfortunate history in Australian cities. In a large part this view has been encouraged by the unfortunate development of poorly designed medium density flats in the 1960s and 1980s, and partly due to a perception that medium density must, ipso facto, destroy the environment. However, despite this, in metropolitan Melbourne in general, the acceptance of this ‘new’ form of living has grown, especially with a supply of well-designed units. Thus, the key to the acceptable development of multi-unit housing is community education of the overall benefits, and the assurance that such units will represent good urban design/architecture and positive environmental effects. Such control and education will necessarily be accompanied by changes in planning controls.

(ii) Location of units

Figure 12 shows the pattern of units throughout the Shire. While the overall number is very small, most areas of the Shire do not have any units or very few units. Concentrations can be found in Lilydale, with some units in particular areas of Chirnside Park, Kilsyth, Monbulk and Yarra Junction.

The overall picture presented by Figure 11 and Figure 12 is one of few medium density units, with those few somewhat concentrated in a few locations. The predominant form of medium density units has not been analysed, but it is likely that they are single storey, two bedroom, 2 to 4 units on an ordinary suburban site of a demolished older house. Just why the concentrations are in particular locations is unclear, though based on studies done elsewhere, it is likely an unplanned reaction from a diffused development market, one dominated by small developers who perceive an individual opportunity in the absence of any overall planning direction, and rarely taking into account the social appropriateness of the area, or indeed real and future housing needs. Such an approach is primarily characterised by a ‘scattergun’ pattern, with consolidation in any one area based on availability of perceived ‘suitable’ sites.

Typically this has tended to produce socially, aesthetically and economically undesirable outcomes. Units are of poor design, in locations often lacking service access, and built to the lowest common denominator of design and quality. While the current residential planning controls (Rescode) have possibly raised the overall design quality of medium density housing, the current controls (Victorian Planning Provisions) have done little to enable targeted and structured responses to the emerging patterns of need, taking into account locations, access to services, service delivery, household appropriateness or aesthetics etc. Future strategies, policies and actions will need to grapple with these issues. In particular, it is likely that Council will need to identify preferred development areas based on a range of criteria, and develop policies and actions to positively encourage the desired outcomes.

(iii) Tenure

As indicated in Figure 13 below and Table A2-6 in Appendix 2, the Shire not only has a predominance of separate houses but also a predominance of owner occupied housing. Over 80% of dwellings are either fully owned or being purchased. This compares with around 70% for Melbourne and just above 70% for Rural Victoria. Also notable is the relatively very high proportion of households purchasing their dwellings, 42% compared with 28% in Melbourne and 27% in Rural Victoria.

On the other hand, there is a relatively small rental sector with 11% dwellings compared with Melbourne (20%) and Rural Victoria (16%). The level of public housing is also very small (under 1%) compared with Melbourne (3%) and Rural Victoria (4%).
The Shire is very attractive to those seeking to own their own house, particularly those in the process of purchasing one. This also indicates the importance of work and earning an income for residents. Provided the economy remains buoyant, residents can continue to meet their loan repayments. But the tenure structure, particularly the low level of rental stock, highlights the difficulties that some residents may have remaining in their neighbourhoods, particularly those forming new households such as young people and sole parents.

The high degree of owner occupation is positive, although the small supply of private rental accommodation may mask an unmet demand. While available data does not immediately suggest this as an issue, the data on public housing waiting lists (see Section 5.3 below) gives rise to hints of an underlying problem of availability of low cost rental housing in the Shire. This is an issue which, in time, may require further investigation.

Nevertheless, the high degree of home ownership does have various consequences. One potential issue is the strength of feeling which might be expressed against any development of multi-unit housing, especially for rental purposes.

(iv) House and unit sales

The housing market in the Shire of Yarra Ranges is dominated by the market for houses. This is shown in Figure 14 which compares house sales and unit sales in the Shire from 1985 to 2003. It is also illustrated by the low rate of non-house building approvals (‘other’ approvals have not accounted for more than 9% of the total in any year from 1996 to 2003, compared to around 30% in the Melbourne Statistical Division (MSD)) as shown in Figure A2-1 in Appendix 2.

As noted earlier, the current housing form is predominantly single, separate houses, with few medium density developments. Moreover, from observation and some available data, it would appear that most medium density housing is typically in small developments. There are few examples of large-scale or ‘village’ type estates. This is probably primarily due to lack of available sites, but also, based on data of other studies elsewhere, by the nature of the local outer urban development market, that is, small-scale developers who can typically only finance a few units or houses each year.
Not surprisingly, the residential sales market reflects these patterns as shown in Figure 14. However, despite this low level of other forms of housing, there appears to be slight rise in unit sales in some years, presumably underpinned by a rise in unit development. However, the last couple of years show a decline which may be merely a statistical ‘blip’. However, as all the earlier discussion suggests, it is likely that this market demand will grow and Council may have to facilitate this through policy development.

**Figure 14: Total house and unit sales, Shire of Yarra Ranges, 1985-2003**

To compare sales data across jurisdictions, it is useful to look at the number of sales as a proportion of the dwelling stock for an area, as this provides an indication of the turnover in stock for a given period. Figure 15 presents this data for the Shire of Yarra Ranges, MSD and Rural Victoria for the period 1991 to 2003.

**Figure 15: Total sales as a proportion of total private dwellings, 1991-2003**

As Figure 15 shows, sales have accounted for between 5% and 8% of total stock in both the Shire and the MSD (averaging around 6%), and between 4% and 7% in Rural Victoria (averaging around 5%). Although the period has been characterised by a series of fluctuations since 1998, a general increase in sales as a proportion of total dwellings is apparent in the three areas, with a peak in 2001, followed by a decline in the ratio to 2003. Nonetheless, all three areas recorded a higher ratio in 2003 compared to 1991, indicating the higher turnover in stock towards the end of the 1990s and into the 2000s. Sales in the Shire as a proportion of total stock have generally tracked above Melbourne during periods where house prices are stable or reducing (the early 1990s after the boom in the late 1980s, and again in 2002 and 2003 as the current boom abates). They also tracked above Rural Victoria.

(v) Property prices and values

This section identifies property value changes for both houses and units between 1985 and 2003 for the Shire of Yarra Ranges, MSD and Rural Victoria, and between 1992 and 2003 for all suburbs within the Shire. All values have been indexed to 2003 prices.

Median house prices

Over the period 1985-2003, median house prices in the Shire have consistently been below the median prices for the MSD, and consistently above those of Rural Victoria. In 2003, the median house price in the Shire was $240,000 compared to $293,500 for the MSD and $172,997 for Rural Victoria. Although the median prices for the three areas followed a broadly similar pattern (see Figure 16), median prices in the MSD experienced a higher rate of increase (89%) compared to the Shire which recorded a percentage change of 74%, which in turn is higher than the reported increase for Rural Victoria of 68%.

Figure 16: Median house prices 1985-2003

There was also considerable variation in house price movement within the Shire. The smallest percentage change recorded for the period 1992-2003 was in East Warburton (32%) compared to the highest recorded increase of 96% in Belgrave South and Seville East (albeit based on a small
number of sales), which was well above the increase for the MSD (82%). Ferny Creek (86%), Lilydale (89%) and Tecoma (89%) all recorded a higher rate of increase compared than the MSD. While sales patterns for Yarra Ranges differ in some ways from other parts of Melbourne, it is not atypical of outer eastern house prices in level and pattern of fluctuation. However, it would be unwise to put too much weight on recent figures, given the boom in house prices and thus the incentive to sell at a (often notional) profit. Of more interest and importance is the relative difference in house sale prices in Yarra Ranges and other places. In particular, it can be seen that median prices in the Shire are considerably lower than some other areas of metropolitan Melbourne, though as Figure 17 shows, not necessarily the lowest.

The general importance of relative house prices is that it is a defacto index of household wealth – in Australia, the family house is the main and often only form of wealth asset. Thus low house prices represent low wealth, and vice-versa. This low wealth base will, to varying degrees, impact on the demand for services, including housing-related services, as well on some people’s ability to move to more age/life-cycle appropriate housing.

Figure 17 displays median house prices for the Shire of Yarra Ranges in relation to the median house prices in other fringe LGAs)within the MSD. The LGAs have followed a broadly similar pattern over the period and, with the exception of the Shire of Nillumbik, have recorded similar house prices. The Shire of Yarra Ranges has tended towards the higher end of the narrow band for median house prices in these municipalities, just below the Shire of Whittlesea.

By comparing the percentage change that each LGA has recorded over the period, the performance of each local housing market over the longer term can be clearly determined. As Figure 18 shows, Nillumbik recorded the greatest percentage change (100%) followed by Yarra Ranges (74%). In other words, Yarra Ranges recorded the second highest growth rate in house prices over the period 1985 to 2003 of all the LGAs contained in this analysis.

This data suggests that the Shire has a reasonably ‘healthy’ housing market, although as house prices (and, likely, interest rates) rise, some buyers become unable to purchase, and thus put greater demands on the rental market, especially the severely strained public housing sector. While there is

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4 See Appendix 3 for locality data.
little real market intervention possible by local government, it can develop policies to attenuate some of the attendant problems of high cost housing. These policies are likely to relate to financial and legal education, home maintenance issues etc.

**Figure 18: Median house price percentage change, selected LGAs, 1985-2003**

[Bar chart showing percentage change in median house prices for different LGAs, including Cardinia, Casey, Hume, Melton, Nillumbik, Whittlesea, Wyndham, Yarra Ranges.]

Note: $2003 values

### Median Unit Prices

A similar pattern of price movement was also apparent in the unit market for the same period (although for the Shire this analysis is based upon a small number of sales) as illustrated in Figure 19. The median unit price recorded in the Yarra Ranges in 2003 was $190,500 compared to $265,000 for the MSD and $151,000 for Rural Victoria. The percentage change for the Shire between 1985 and 2003 was 46%, compared to 104% for the MSD and 42% for Rural Victoria. The large difference between the Shire and the MSD can broadly be attributed to both the slump in unit prices that occurred between 1989 and 1990 (with the Shire recording a drop in real prices of $23,000 compared to a decrease of $9,000 in the MSD) and the rate of increase in prices from 1997. Although both areas have recorded a constant increase in median prices since 1997, MSD recorded a higher rate of increase each year, with the exception of 2003 which saw a levelling of unit prices in the MSD while the Shire recorded a dramatic increase, with unit prices rising from $164,171 in 2002 to $190,500 in 2003. Of the suburbs where data on median unit prices is available, Mt Evelyn recorded the lowest increase in prices between 1992 and 2003 (40%) and Kilsyth recorded the highest (83%).

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5 See Appendix 3 for locality data.
Figure 19: Median unit prices, 1985-2003

Note: $2003 values

Figure 20 shows the percentage change in median unit prices for the Shire of Yarra Ranges and other fringe metropolitan LGAs for the period 1985 to 2003. Similar to the housing market for these LGAs, the Shire of Nillumbik recorded the greatest percentage increase. However, unlike the housing market where Yarra Ranges recorded the second largest increase in prices, the Shire recorded the smallest growth in unit prices for the period (46%) along with Cardinia.

Figure 20: Median unit price percentage change, selected LGAs, 1985-2003

Note: $2003 values

Overall, it would appear that there is a buoyant market in unit-style housing, though the small base of data and the erratic pattern indicates the need for a qualified interpretation. In particular, it appears that the unit market in Yarra Ranges is similar to nearby outer eastern suburban areas. However, the real issue is its acceptance among the broader community, and the likely future need...
to increase the proportion of units or medium density housing in the Shire. The most profitable role for Council will lie in the development and implementation of good design policies which take account of appropriate unit amenity, environmental issues and location.

**(vi) Housing affordability**

This section utilises various measures to build an overall picture of affordability within the Shire of Yarra Ranges, using the MSD and Rural Victoria as comparative benchmarks. It focuses particularly on the market for houses due to the small size of the unit market within the Shire, as discussed in the previous section.

**Sales by Price Segment**

One way of illustrating the potential affordability of an area is by viewing dwelling prices in terms of price segments (from ‘low cost’ to ‘top end’) and determining the availability of housing within these segments. Table 9 shows the size of the housing market broken into price segments for the Shire of Yarra Ranges, Melbourne and Rural Victoria for 1989, 1996 and 2003. The segments used for the analysis were:

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Low cost</td>
<td>$0 - $152,111</td>
<td>$0 - $183,895</td>
<td>$0 - $219,464</td>
</tr>
<tr>
<td>Low-medium cost</td>
<td>$152,112 - $183,895</td>
<td>$183,896 - $219,464</td>
<td>$219,465 - $298,925</td>
</tr>
<tr>
<td>Medium cost</td>
<td>$183,896 - $219,464</td>
<td>$219,465 - $298,925</td>
<td>$298,926 plus -</td>
</tr>
<tr>
<td>Top end</td>
<td>$298,926 plus -</td>
<td>$298,926 plus -</td>
<td>$298,926 plus -</td>
</tr>
</tbody>
</table>

As Table 9 shows, there has been a significant decrease in low cost sales in all three areas over the period 1989 to 2003, and a decrease in low-medium cost sales in both the Yarra Ranges and the MSD. In the Shire in 1989, low cost dwellings accounted for 33% of sales and low-medium cost sales for 25%, for a total of 58% of sales. In the MSD, these two price segments accounted for 40% of total sales, indicating the relative affordability of the Shire at this time. However, by 2003 these two segments accounted for only 16% of total sales in the Shire and 12% in the MSD.

Another way to illustrate this decline in housing affordability is to compare the change in the percentage of sales in the top end bracket between 1989 and 2003. In the Shire this bracket increased from 7% of total sales to 27%, although this rate of increase was less than the MSD which increased from 20% to 48%, but at the same time was much greater than the increase recorded in Rural Victoria (from 2% to 11%). The decrease in affordability within all three localities in terms of house sales is clearly shown in Figure 21.

While the data shows a general picture of declining affordability within the Shire, it also suggests that the Shire still has a greater reservoir of low cost housing than the MSD (7% compared with 4% in 2003), though by a diminishing margin, thus suggesting that the Shire is more in-line with Melbourne prices. Equally it can be seen that the Shire does not have a significant share of high cost housing, thus reinforcing the general ‘low cost’ housing picture. While Council can do little to influence the overall market price and fluctuations, it may have a role, noted above, in educating the community about house purchase, rental etc. In addition, the Shire has a larger share of the low cost house market (both rental and ownership) than some other metropolitan areas. This may lead to a greater reliance on Council for other housing-related services.

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These segments are based on house prices for Melbourne in 1989 with $ values updated by CPI to $2003.

<table>
<thead>
<tr>
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<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Yarra Ranges</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Low cost</td>
<td>834</td>
<td>33%</td>
<td>1,556</td>
<td>66%</td>
</tr>
<tr>
<td>Low-medium cost</td>
<td>646</td>
<td>25%</td>
<td>357</td>
<td>15%</td>
</tr>
<tr>
<td>Medium cost</td>
<td>494</td>
<td>19%</td>
<td>201</td>
<td>9%</td>
</tr>
<tr>
<td>High cost</td>
<td>384</td>
<td>15%</td>
<td>153</td>
<td>7%</td>
</tr>
<tr>
<td>Top end</td>
<td>190</td>
<td>7%</td>
<td>81</td>
<td>3%</td>
</tr>
<tr>
<td>Total</td>
<td>2,548</td>
<td>100%</td>
<td>2,348</td>
<td>100%</td>
</tr>
</tbody>
</table>

|          |      |      |      |                        |      |      |
| Melbourne |      |      |      |                        |      |      |
| Low cost  | 9,041 | 20%  | 23,351 | 48%                    | 2,273 | 4%   | -16% |
| Low-medium cost | 9,114 | 20%  | 7,934  | 16%                    | 4,573  | 8%   | -12% |
| Medium cost | 9,174 | 20%  | 5,505   | 11%                    | 7,350  | 12%  | -8%  |
| High cost | 8,940  | 20%  | 5,894  | 12%                    | 16,745 | 28%  | 8%   |
| Top end   | 9,077  | 20%  | 5,932  | 12%                    | 29,132 | 48%  | 28%  |
| Total     | 45,346 | 100% | 48,616 | 100%                   | 60,073 | 100% |

|          |      |      |      |                        |      |      |
| Rest of Victoria |      |      |      |                        |      |      |
| Low cost | 15,600 | 76%  | 1,5703 | 82%                    | 12,586 | 42%  | -34% |
| Low-medium cost | 2,073 | 10%  | 1,588  | 8%                     | 5,047  | 17%  | 7%   |
| Medium cost | 1,251 | 6%   | 807   | 4%                     | 3,945  | 13%  | 7%   |
| High cost | 1,078  | 5%   | 598   | 3%                     | 5,245  | 17%  | 12%  |
| Top end   | 494   | 2%   | 391   | 2%                     | 3,298  | 11%  | 9%   |
| Total     | 20,496 | 100% | 19,087 | 100%                   | 30,121 | 100% |

Source: DSE (1989, 1996, 2003) Unit Record Files; CPI from the ABS
Note: $2003 values

Figure 21: House sales by price segment, percentage difference, 1989-2003
Affordability and Available Stock

Another way of looking at affordability is to look at a range of income levels and the house price that households on this income could afford (at current interest rates, a 25 year loan period, 10% deposit and repayments not exceeding 30% of the borrower’s wage), and compare this with the amount of available stock in that price range. In the following analysis, household decile income points calculated from the 2001 Census have been utilised as outlined in Table 10.

Table 10: Decile household income points, Victoria 2003

<table>
<thead>
<tr>
<th>Decile grouping</th>
<th>Amount for 2001</th>
<th>Indexed 2003</th>
<th>Yearly</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to decile 1</td>
<td>$268</td>
<td>$307</td>
<td>$15,943</td>
</tr>
<tr>
<td>Up to decile 2</td>
<td>$376</td>
<td>$431</td>
<td>$22,415</td>
</tr>
<tr>
<td>Up to decile 3</td>
<td>$494</td>
<td>$566</td>
<td>$29,455</td>
</tr>
<tr>
<td>Up to decile 4</td>
<td>$651</td>
<td>$745</td>
<td>$38,761</td>
</tr>
<tr>
<td>Up to decile 5</td>
<td>$820</td>
<td>$939</td>
<td>$48,834</td>
</tr>
<tr>
<td>Up to decile 6</td>
<td>$1,005</td>
<td>$1,151</td>
<td>$59,859</td>
</tr>
<tr>
<td>Up to decile 7</td>
<td>$1,228</td>
<td>$1,407</td>
<td>$73,149</td>
</tr>
<tr>
<td>Up to decile 8</td>
<td>$1,560</td>
<td>$1,787</td>
<td>$92,934</td>
</tr>
<tr>
<td>Up to decile 9</td>
<td>$1,982</td>
<td>$2,270</td>
<td>$118,048</td>
</tr>
<tr>
<td>Highest</td>
<td>over $1,982</td>
<td>over $2,270</td>
<td>over $118,048</td>
</tr>
</tbody>
</table>


Figure 22 clearly displays the variation between the Shire of Yarra Ranges, MSD and Rural Victoria in terms of affordability for the range of specified income groups. In the MSD in 2003, a homebuyer with an income up to the fourth decile ($39,000) would only have a choice of 4% of the stock, compared to 8% in the Shire and 42% in Rural Victoria, whilst those with an income up to the sixth decile ($60,000) would have 50% of stock available to them in the Shire (76% of stock in Rural Victoria), compared to a significantly lower rate of availability in the MSD of 29%.

In both the Shire and the MSD, households with an income up to the third decile ($30,000) have a tiny proportion of stock available to them (2% and 1% respectively) and are virtually ruled out of home ownership. These households are likely to rely on either the private rental market or public housing.

Figure 22: Housing stock available at decile income points, 2003

This measure also displays the variation within the Shire itself. For example, in the metropolitan regional centres a homebuyer with an income up to the fourth decile only had a choice of 1% of the stock in 2003 compared to 10% in the valley townships and 39% in the valley villages. A buyer with an income up to the sixth decile would have found the least amount of available property in the hills townships (28%) compared to, say, the suburbs where 49% of the stock was available to them.7

**Threshold Income**

Using the same lending conditions as the previous measure, another way of looking at affordability (and one of the best methods for measuring it) is by determining the threshold income required to purchase the median priced dwelling in an area (that is, the necessary income required to cross over the threshold into home ownership). The threshold income measure is also useful for identifying the scale of an affordability problem, as it reduces the data to a single meaningful figure. Figure 23 shows the threshold income necessary to enter the housing market in various years for the Shire of Yarra Ranges, the MSD and Rural Victoria.

*Figure 23: House threshold income, 1992-2003*

Using this measure, Figure 23 indicates that affordability in Yarra Ranges has displayed a pattern similar to the MSD and rural Victoria, but at a lower threshold level over the period shown. In 1992 the threshold income required to buy the median priced house in the Shire was $48,800, which increased by 2003 to $59,300. In 2003, purchasing the median priced house in the MSD required a threshold income of $72,519 and in Rural Victoria $42,745. The Shire, then, has a higher level of affordability than the MSD (and thus attractive for potential homebuyers) but a lower level of affordability than Rural Victoria.

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7 See Appendix 3 for locality data.
As with other affordability measures used above, there is evidence of considerable variations in affordability within different localities of the Shire. Of the suburbs/towns, the lowest recorded threshold income in 2003 was East Warburton ($42,004) and the highest Lysterfield ($115,635).8

5.2 Private rental sector

(i) Lettings

Table 11 outlines the number of dwellings let in the December quarter of each year between 1999 and 2003 for the Shire of Yarra Ranges and for Melbourne. Since 1999, the number of dwellings let in the Shire has increased from 439 to 508, an increase of 16% compared with an increase of 9% for Melbourne. The increase occurred particularly in three and four bedroom houses (22 and 26 dwellings respectively), compared with Melbourne where the increase occurred particularly in three bedroom houses (1,055) and one and three bedroom flats (323 and 353 respectively).

<table>
<thead>
<tr>
<th></th>
<th>Yarra Ranges</th>
<th>Melbourne</th>
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<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>1 Bed Flat</td>
<td>33</td>
<td>-2</td>
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<tr>
<td>2 Bed Flat</td>
<td>66</td>
<td>13</td>
</tr>
<tr>
<td>3 Bed Flat</td>
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<tr>
<td>Total Flats</td>
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</tr>
<tr>
<td>2 Bed House</td>
<td>40</td>
<td>6</td>
</tr>
<tr>
<td>3 Bed House</td>
<td>247</td>
<td>22</td>
</tr>
<tr>
<td>4 Bed House</td>
<td>34</td>
<td>26</td>
</tr>
<tr>
<td>Total Houses</td>
<td>321</td>
<td>54</td>
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<tr>
<td>Total Stock</td>
<td>439</td>
<td>69</td>
</tr>
<tr>
<td>% houses</td>
<td>73.1%</td>
<td>73.8%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>1 Bed Flat</td>
<td>3,229</td>
<td>323</td>
<td>10%</td>
</tr>
<tr>
<td>2 Bed Flat</td>
<td>7,269</td>
<td>49</td>
<td>1%</td>
</tr>
<tr>
<td>3 Bed Flat</td>
<td>1,606</td>
<td>353</td>
<td>22%</td>
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<td>6%</td>
</tr>
<tr>
<td>2 Bed House</td>
<td>1,892</td>
<td>-169</td>
<td>-9%</td>
</tr>
<tr>
<td>3 Bed House</td>
<td>5,993</td>
<td>1,055</td>
<td>18%</td>
</tr>
<tr>
<td>4 Bed House</td>
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<td>382</td>
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<tr>
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<tr>
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<td>9%</td>
</tr>
<tr>
<td>% houses</td>
<td>43.2%</td>
<td>44.9%</td>
<td>43.5%</td>
</tr>
</tbody>
</table>

Source: Office of Housing, Department of Human Services, Victoria, Rental Report (various years); CPI from the ABS

---

8 See Appendix 3 for locality data.
In all years except 2000, houses comprised nearly three-quarters of the stock let. This compares with Melbourne where houses were around 43% of stock let.

The predominance of houses (generally with 3 to 4 bedrooms) over the period suggests a particular demographic of renters in the Shire. It seems that larger family units may be the key group of rental seekers. This is in contrast to the inner metropolitan area where smaller, one and two-bedroom units predominate, suggesting use by sole person households or childless couples. Of course, larger family units in the Shire’s rental stock may simply be a reaction to a dwindling supply, especially an affordable supply in the inner parts of Melbourne, rather than a desire to locate in the Shire.

However, if families are seeking rental housing in the Shire, it does suggest a demand for larger housing units, and this may also mean a demand for larger outside areas not normally offered by units. On this basis Council may need to encourage relatively large (3 to 4) bedroom medium density houses with larger than normal outside areas. This will reflect on the design issues for medium density.

(ii) Rental prices

This section provides trend series data on median rental prices for both the Shire of Yarra Ranges and the MSD for the period 1999 to 2003 (the time for which the data is available at the LGA level). All rents have been indexed to the base year of 2003.

<table>
<thead>
<tr>
<th>Table 12: Median rent (new bonds), December quarter 1999-2003</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Year</strong></td>
</tr>
<tr>
<td>1999</td>
</tr>
<tr>
<td>2000</td>
</tr>
<tr>
<td>2001</td>
</tr>
<tr>
<td>2002</td>
</tr>
<tr>
<td>2003</td>
</tr>
<tr>
<td>4 Bed House</td>
</tr>
</tbody>
</table>

Source: Office of Housing, Department of Human Services, Victoria, Rental Report (various years); CPI from the ABS
Note: $2003 values

The rental data reflects the pattern of ‘affordability’ among owner-occupied housing. In brief, the Shire has relatively low rents, and is thus more affordable than the MSD. As Table 12 shows, the Shire of Yarra Ranges recorded a lower median rent for all property types over the period 1999 to 2003 compared to the MSD. For three bedroom houses, the median rent differential between the Shire and Melbourne generally was less than $17. For two bedroom flats, the differential was greater than $25 ($35 in 2003).

Figure 24 outlines the median rent for each type of dwelling in the Shire from 1999-2003. Apart from one bedroom flats, rents in real terms increased slightly throughout this period.

Despite the relative ‘affordability’ of rents in the Shire, it should be noted that, with the exception of one bedroom flats, Figure 25 indicates that the Shire has recorded a greater increase in median rents than the MSD over the period and, in many cases, quite a significant increase. For example, the Shire recorded an increase of 3% in the median rent for a three bedroom flat between the December quarter 1999 and the December quarter 2003, while the MSD recorded a decrease of 3% and, whereas median rents for a four bedroom house in the Shire increased by 2% for this period, in the MSD they recorded a decrease of 7%.
Figure 24: Median rent (new bonds) by type of dwelling, Shire of Yarra Ranges, December quarter 1999-2003

Figure 25: Median rent percentage change (new bonds), December quarter 1999-2003

(iii) Distribution of low cost private rental

For the purposes of this report, private rental stock is divided into three segments – low cost, moderate cost and high cost -with rent ranges as follows:9

9 These rent ranges are derived by dividing rental stock in the MSD into three equal groupings.
Table 13 below outlines the number of private rental dwelling and the proportion of dwellings in each price segment for Yarra Ranges, Melbourne and Rural Victoria. On this basis, the proportion of low cost stock is relatively high for the Shire (51%) compared with Melbourne (33%) but lower than for Rural Victoria (75%).

Table 13: Private rental stock by price segment, 2001

<table>
<thead>
<tr>
<th>Price segment</th>
<th>Yarra Ranges</th>
<th>Melbourne</th>
<th>Rural Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Low Cost</td>
<td>2,689</td>
<td>51%</td>
<td>78,637</td>
</tr>
<tr>
<td>Moderate Cost</td>
<td>1,959</td>
<td>37%</td>
<td>78,637</td>
</tr>
<tr>
<td>High Cost</td>
<td>647</td>
<td>12%</td>
<td>78,637</td>
</tr>
<tr>
<td>Total</td>
<td>5,295</td>
<td>100%</td>
<td>235,911</td>
</tr>
</tbody>
</table>

Source: ABS 2001 Census of Population and Housing

Figure 26 maps the low cost private rental stock across the Shire. As a proportion of all private rental stock the highest proportions are largely in the rural areas, particularly along the Warburton highway, with a few pockets within the metropolitan area. While it is not fully explored, this could suggest that rental stock is often poor quality, poorly maintained ‘farm houses’, rather than newer, well-equipped suburban houses. It is important to note that Figure 26 maps the distribution of low cost stock as a proportion of all private rental stock, not the number of units. Thus, in some areas where the proportions are very high, there may be small numbers of private rental stock.

Figure 26: Distribution of low cost private rental stock

(iv) Private rental affordability

As outlined above, rents have remained relatively stable in the Shire of Yarra Ranges between 1999 and 2003. However, in order to determine affordability, it is necessary to look at the proportion of some measure of income to the median rental price. Assumptions are made as to the type of household that would rent a particular type of dwelling and an income is then generated (based upon Centrelink payments) which would be applicable for that household. Figure 27 shows the private rental affordability for the Shire, MSD and Rural Victoria for the December quarter from 2000 to 2003.

Figure 27: Private rental affordability as a proportion of total rental properties (new bonds), December quarter 2000-03

There was relatively little movement in private rental affordability over the period 2000 to 2003. Similar to the housing market, the Shire has been consistently more affordable than the MSD and less affordable when compared to Rural Victoria. One pattern worth noting is the steady decrease in the percentage of rental properties that are affordable in Rural Victoria compared to both the Shire and the which have recorded greater fluctuation over the same period.

In December 2003, the Shire of Yarra Ranges was ranked tenth in terms of the percentage of affordable stock available relative to all metropolitan LGAs, as shown in Table 14. Compared with the other fringe municipalities – Cardinia, Wyndham, Melton, Casey, Hume, Whittlesea and Nillumbik – it has a lower proportion of affordable dwellings. Only Whittlesea and Nillumbik have lower proportions. Figure 17 above, which compares the median house prices of these fringe municipalities with those of the Shire, shows that median house prices for these fringe municipalities were quite close, except for Nillumbik. However, when their level of rental affordability is compared (as in Table 14), there appears to be greater differences between them.

10 1 bedroom rental: singles on Newstart receiving Rent Assistance (RA) paying no more than 30% of their income on rent
2 bedroom rental: single parent with 1 child between 5 and 13 receiving RA paying no more than 30% of their income on rent
3 bedroom rental: couple with 1 or 2 children receiving RA paying no more than 30% of their income on rent
4 bedroom rental: couple with 3 or more children receiving RA paying no more than 30% of their income on rent.
Table 14: Metropolitan Melbourne rental affordability (new bonds), December quarter 2003

<table>
<thead>
<tr>
<th>LGA</th>
<th>Total properties</th>
<th>Affordable properties</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Greater Dandenong</td>
<td>809</td>
<td>630</td>
</tr>
<tr>
<td>Cardinia</td>
<td>274</td>
<td>210</td>
</tr>
<tr>
<td>Wyndham</td>
<td>613</td>
<td>440</td>
</tr>
<tr>
<td>Brimbank</td>
<td>829</td>
<td>593</td>
</tr>
<tr>
<td>Melton</td>
<td>344</td>
<td>242</td>
</tr>
<tr>
<td>Frankston</td>
<td>874</td>
<td>602</td>
</tr>
<tr>
<td>Casey</td>
<td>1,126</td>
<td>750</td>
</tr>
<tr>
<td>Mornington Peninsula</td>
<td>887</td>
<td>531</td>
</tr>
<tr>
<td>Hume</td>
<td>622</td>
<td>338</td>
</tr>
<tr>
<td><strong>Yarra Ranges</strong></td>
<td><strong>544</strong></td>
<td><strong>277</strong></td>
</tr>
<tr>
<td>Whittlesea</td>
<td>558</td>
<td>229</td>
</tr>
<tr>
<td>Maribyrnong</td>
<td>658</td>
<td>237</td>
</tr>
<tr>
<td>Hobsons Bay</td>
<td>695</td>
<td>235</td>
</tr>
<tr>
<td>Knox</td>
<td>633</td>
<td>213</td>
</tr>
<tr>
<td>Maroondah</td>
<td>511</td>
<td>164</td>
</tr>
<tr>
<td>Darebin</td>
<td>1,134</td>
<td>292</td>
</tr>
<tr>
<td>Moreland</td>
<td>1,310</td>
<td>308</td>
</tr>
<tr>
<td>Kingston</td>
<td>1,014</td>
<td>229</td>
</tr>
<tr>
<td>Monash</td>
<td>1,094</td>
<td>184</td>
</tr>
<tr>
<td>Moonee Valley</td>
<td>838</td>
<td>133</td>
</tr>
<tr>
<td>Banyule</td>
<td>660</td>
<td>92</td>
</tr>
<tr>
<td>Whitehorse</td>
<td>936</td>
<td>110</td>
</tr>
<tr>
<td>Nillumbik</td>
<td>139</td>
<td>13</td>
</tr>
<tr>
<td>Manningham</td>
<td>475</td>
<td>29</td>
</tr>
<tr>
<td>Glen Eira</td>
<td>1,323</td>
<td>40</td>
</tr>
<tr>
<td>Bayside</td>
<td>500</td>
<td>15</td>
</tr>
<tr>
<td>Yarra</td>
<td>1,104</td>
<td>24</td>
</tr>
<tr>
<td>Boroondara</td>
<td>1,279</td>
<td>26</td>
</tr>
<tr>
<td>Port Phillip</td>
<td>2,038</td>
<td>33</td>
</tr>
<tr>
<td>Melbourne</td>
<td>1,944</td>
<td>29</td>
</tr>
<tr>
<td>Stonnington</td>
<td>1,553</td>
<td>20</td>
</tr>
</tbody>
</table>

**Metropolitan Melbourne** | 27,364 | 7,314 | 27% |
**Rural Victoria** | 8,484 | 6,363 | 75% |
**Victoria** | 35,808 | 13,677 | 38% |

Source: Office of Housing, Department of Human Services, Victoria, *Rental Report December 2003*

Overall, the private rental market in Yarra Ranges does not appear to be under severe stress. A high proportion of properties are regarded as affordable and these units appear to be a special target of those looking for larger sized housing. However, it is not possible to know the real demand for rental housing as demand may be masked by its availability, that is, households do not seek private
rental housing in Yarra Ranges because they know it is not available. More telling is the long waiting list for public housing, which indicates a strong demand in a context of a relatively low level of supply.

Low income groups tend to be strongly represented among renters, and it is these groups which will be most in need of and generally put most demand on Council services, including a range of housing-related services. This puts added emphasis on the need to consider consolidation of housing in the Shire.

5.3 Social housing

Although there is a range of social housing programs operating in the Shire of Yarra Ranges, the number of dwellings is very low, with most low income households renting in the private rental market.

Public housing

Table 15 shows public housing stock by number of bedrooms and type of stock. 41% of the stock is 3 bedroom units while 42% (including movable units) is 1 bedroom stock.

Table 15: Public housing stock by bedroom and by type, 2003

<table>
<thead>
<tr>
<th>Bedroom Size*</th>
<th>#</th>
<th>%</th>
<th>Type^</th>
<th>#</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td>143</td>
<td>26%</td>
<td>Separate house</td>
<td>305</td>
<td>52%</td>
</tr>
<tr>
<td>1 bedroom (Movable units)</td>
<td>88</td>
<td>16%</td>
<td>Semi-detached</td>
<td>2</td>
<td>0%</td>
</tr>
<tr>
<td>2 bedroom</td>
<td>61</td>
<td>11%</td>
<td>Medium density</td>
<td>107</td>
<td>18%</td>
</tr>
<tr>
<td>3 bedroom</td>
<td>227</td>
<td>41%</td>
<td>Low rise flat</td>
<td>97</td>
<td>17%</td>
</tr>
<tr>
<td>4 bedroom</td>
<td>28</td>
<td>5%</td>
<td>Movable unit</td>
<td>70</td>
<td>12%</td>
</tr>
<tr>
<td>5+bedroom</td>
<td>3</td>
<td>1%</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>550</strong></td>
<td>100%</td>
<td><strong>Total</strong></td>
<td><strong>581</strong></td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: * Department of Human Services, Eastern Metropolitan Region, Facts Sheet 2003 as at January 2003
^ Department of Human Services, Annual Report 2002-03 as at June 2003

As Table 16 indicates, the stock of public housing in the Shire has remained largely unchanged over the last five years, with an increase of 22 dwellings (3.9%).

Table 16: Office of Housing Stock (public housing), 1998-2003

<table>
<thead>
<tr>
<th>Total Stock as at:</th>
<th>Number</th>
<th>Annual % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>30 June 1998</td>
<td>559</td>
<td></td>
</tr>
<tr>
<td>30 June 1999</td>
<td>568</td>
<td>1.6%</td>
</tr>
<tr>
<td>30 June 2000</td>
<td>569</td>
<td>0.2%</td>
</tr>
<tr>
<td>30 June 2001</td>
<td>565</td>
<td>-0.7%</td>
</tr>
<tr>
<td>30 June 2003</td>
<td>581</td>
<td>2.8%</td>
</tr>
</tbody>
</table>

Increase June 1998 to June 2003 | 22 | 3.9%

Source: Office of Housing, Summaries of Housing Assistance Programs, 1997-98 – 2002-03

All indications are that there is considerable demand pressure on public housing. The Office of Housing has 217 on the waiting list for ‘early’ (i.e. crisis or emergency) housing and 1,564 on the list for ‘wait turn’ (non-emergency) for the Ringwood office, which covers the Shire of Yarra Ranges.
Community housing

There are several community housing organisations within the Shire of Yarra Ranges. These include housing cooperatives and housing associations providing long-term housing for households on low and moderate incomes. In general, while the Office of Housing owns the actual stock, the properties are managed by these organisations.

Aged housing (Independent Living Units)

Between 1954 and 1984, many community and church organisations as well as local government received subsidies from the Commonwealth government under the *Aged Persons’ Homes Act* to construct independent living units (ILUs) for older persons. Many of these units are targeted at older people whose only source of income is an aged pension. Table 17 below outlines the number of ILUs in the Shire, their location and the type of units.

<table>
<thead>
<tr>
<th>Type of unit</th>
<th>Total units</th>
<th>Bedsits</th>
<th>Singles</th>
<th>Doubles</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Metropolitan</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mooroolbark</td>
<td>68</td>
<td>7</td>
<td>51</td>
<td>10</td>
</tr>
<tr>
<td>Kilsyth</td>
<td>94</td>
<td>-</td>
<td>78</td>
<td>16</td>
</tr>
<tr>
<td><strong>Rural</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Healesville</td>
<td>30</td>
<td>25</td>
<td>5</td>
<td>-</td>
</tr>
<tr>
<td>Monbulk</td>
<td>29</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Wandin North</td>
<td>10</td>
<td>-</td>
<td>6</td>
<td>4</td>
</tr>
<tr>
<td>Warburton</td>
<td>11</td>
<td>-</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Yarra Junction</td>
<td>15</td>
<td>-</td>
<td>-</td>
<td>15</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>257</td>
<td>32</td>
<td>150</td>
<td>46</td>
</tr>
</tbody>
</table>

*Source: Council on the Ageing 2001 Directory of Independent Living Units in Victoria*

5.4 Housing for specific groups

(i) Housing for older persons

Overall, housing for an ageing population is one of the key housing issues in Australia. At all consultation meetings, concern was expressed that some older persons in the municipality were living in unsuitable housing. The concern related particularly to single persons, especially women over 70 years of age and living in former family homes of 3 to 4 bedrooms.

Most older people live on low incomes, with 75% receiving an Age Pension or Veterans Pension as their main source of income. This proportion rises with age group from 58% for those aged between 65 and 69 years to 78% for those aged 85 years or over. Income, then, is not the key factor which distinguishes older persons. Two factors which do distinguish them and which are most relevant for a Housing Strategy are:

- Their level of assets
- The level of support/care services they require, if any.

Sufficient income and assets are key factors in finding and maintaining appropriate housing options and on this basis five groups of older persons can be distinguished:

---

11 For a more detailed discussion of ILUs and their role as a housing option for older persons see McNelis and Herbert (2003, 2004)
• Owner occupiers who have sufficient assets to acquire more appropriate housing if they require it as their housing and support/care needs change
• Owner occupiers who do not have sufficient assets to access other housing/accommodation options as their housing and support/care needs change
• Private renters who have some limited assets and can, at least for a time, continue to support themselves in the private rental market
• Private renters who have no assets or virtually no assets and are unable to continue to support themselves in the private rental market
• Older persons who are homeless or at risk of homelessness. Low income and minimal assets are key factors in homelessness, but disability, chronic illness, mental illness, drug and alcohol abuse, problem gambling, acquired brain injury, strange behaviours and isolation from families can also contribute.

As they grow older, but particularly at times of crisis (such as the death of a partner), older people need more support/care services to allow them to age in place. This varies significantly from person to person and from situation to situation. Support/care services seek to address particular issues:

• Isolation
• House and garden maintenance
• Living skills and safety
• Personal skills
• Health.

It is generally easier to provide support/care services in metropolitan areas than in some rural and more remote parts of the Shire. Yet the Shire presents some additional difficulties for older people in these more remote areas, in particular, safety is exacerbated by steep gradients in rural townships such as Warburton and Belgrave and also by the risk of bushfires. Access to support services such as home and community care provided by Council is very limited because of cost (within a context of very limited budgets). One response is to encourage older people to move to more appropriate housing/accommodation.

Most literature around the housing needs and preferences of older people focuses on the most dominant group, owner occupiers. Those with higher assets can generally provide themselves with some choices about their living arrangements. Kendig and Gardner (1997) refer to a study of older home owners for whom home ‘encapsulated their sense of self, independence and even sanctuary’. No doubt home has similar meanings for older people who are tenants. However, whether such meanings associated with home are realised, particularly with increasing frailty, has yet to be explored. Kendig and Gardner also point to the diversity among situations facing older people:

Older women are especially likely to live alone, to experience frailty, to have low incomes, or to have a combination of these vulnerabilities. Older migrants from non-English speaking background face cultural and language barriers and many Aboriginal people experience deprivation. Those older people in non-metropolitan areas can have restricted access to accommodation options and health and welfare services.

The most vulnerable group are those who have never owned their own home, have few if any assets and are currently renting in the private rental market. In Australia, 92,000 older people rent privately and on average pay 31% of their income in rent. This compares vividly with the average cost of housing for all older persons which is 6% of their income. Persons living alone are much worse off. It is estimated that 35,000 aged persons live alone and rent privately, paying on average 49% of their income in rent (ABS 1999).
Already there are some options available for older people. ILUs are one significant response. As outlined above, the Shire of Yarra Ranges has 257 of these in various locations. Having mainly been built in the 1970s, they are generally older and smaller units and constitute the first phase of the retirement. Three large private sector retirement villages operate in the Shire:

- Healseville: Griffin Park Retirement Village
- Lilydale: Tudor Village Mews
- Kilsyth: Walmsley Friendship Village.

A number of other retirement villages and aged care facilities have been considered in different parts of the Shire such as Mt Evelyn and Coldstream. Some of these have been controversial and refused planning permission.

But these retirement villages do not adequately meet the current needs nor the needs emerging as the Shire’s population ages over the next 20 years. While retirement villages have not been specifically investigated in this study, participants in consultations made the following comments on their inadequacies:

- Limited local alternative housing options for older people
- Planning scheme lot size determinations which constrain residents’ capacity to redevelop large blocks and create smaller more appropriately designed housing
- Local geography, particularly steep gradients, which further limits the capacity to (re)develop housing stock suitable for an ageing population
- Lack of supported accommodation facilities or affordable retirement villages stock in the municipality.

In the light of these issues, participants proposed a number of strategies to address the lack of appropriate housing for older people:

- Soften planning restrictions on dual occupancy to enable development of units for older people on quarter acre blocks. This would allow them to remain in the area in a manageable home at the same time as providing funding for retirement via sale or rental of the original larger property
- Develop clusters of ILUs for older people in close proximity to services, particularly in rural townships that have no ILU stock. At the same time promote or encourage the development of 1 and 2 bedroom stock that can be modified to suit the needs of frail and ageing residents
- Develop processes or mechanisms that enable older people to remain in their local neighbourhoods as they age and require increased support. This is compatible with current Commonwealth and Victorian government policies on ageing in place. Moreover, assisting older residents to remain in their local areas could strengthen communities by ensuring population diversity and ensuring that the local social history is not lost.

The consultation participants proposed that Council work with Lions, Rotary, senior citizens clubs to locate suitable land for older persons housing developments (such as cluster housing). Additionally it was suggested that Council negotiate with private developers for inclusion of affordable older persons housing in redevelopments or a reduction or deferment in rates.

The demographic data presented earlier (see Figure 5) indicates an increasing need for the provision of aged and ageing appropriate housing. Strategies and actions consistent with this include facilitating and encouraging new appropriately designed housing as well as the conversion of existing housing. These strategies enable older persons to continue living within a broader

12 ‘Dual occupancy’ is an outdated term. They are all either multi-use or medium density units.
Much of the municipality’s housing stock is ageing, and is likely to be in need of maintenance. The burden of ageing stock often occurs just as the ability of the residents to undertake or pay for these works declines.

Council is also likely to be called upon to provide housing-related services, and will need to expand further programs such as home help and home maintenance.

(ii) Housing for young people

Young people 15 years of age and over are confronted with a range of problems accessing suitable or appropriate housing across the municipality.

The Shire lacks affordable one and two bedroom private rental housing for younger people whose Centrelink income is substantially lower than adult incomes. There is anecdotal evidence that young people have difficulty accessing rental housing stock as real estate agents prefer to rent to adults due to perceptions of risk of damage and non-payment of rents. The lack of affordable or suitable stock has led young people to pay up to $200 per week for caravan park accommodation.

Further anecdotal evidence by forum participants is that many young and single people whose primary income is Centrelink are residing in bungalows and garages. Not only is this housing physically inappropriate, it is often managed outside the Residential Tenancies Act 1997 and its legislative protections for tenants.

Young people in their twenties seeking to return to the Shire after completing their education (secondary or tertiary) also have difficulty finding suitable rental accommodation in rural townships.

Many townships in the rural parts of the Shire lack suitable accommodation for young people flexible enough to accommodate school attendees and the unemployed. This is coupled with a lack of supported accommodation or youth housing options and limited support services. In contrast, Belgrave has support services but has no housing for young people.

The relationship between appropriate housing and adequate public transport particularly for young people is an important issue. As such it is proposed that Council continue to advocate for improved transport services and outline the critical relationship between public transport and housing development.

(iii) Student housing/accommodation

There are many educational institutions in the Shire of Yarra Ranges which range from state and private primary and secondary schools, through special schools such as Worwora College which focuses on indigenous students (mainly from interstate), to post-secondary (TAFE) and tertiary institutions. In addition there are adult education programs, for example, CAE.

Apart from Worwora College which provides its own student accommodation, the only institution which has a strong involvement in student housing is Swinburne University’s campus at Lilydale. However, the need to house educational and administrative staff generally does have some impact on the local housing market, both in the owner occupation and rental sectors. While in this study no direct evidence of specific difficulties related to this group was indicated, evidence from other non-metropolitan educational institutions (eg. Nankervis, 2003) suggests a common lack of suitable quality rental properties. In the case of Yarra Ranges, being on the cusp of the metropolitan area, this situation is less likely to occur. This rental housing issue is one common to many other
commercial organisations which have relatively mobile staff, such as banks, government agencies and chain stores.

The presence of a university campus has considerable positive social and economic benefits for the Shire. Students at the campus come from overseas, as well as the local and wider metropolitan area and the non-metropolitan area. However, at present the campus is not large in population, and full-time student numbers are about 1,600. Keeping in mind that many students are part-time and do not attend every day, actual on-campus numbers at any one time will be lower. The majority of students commute to the campus by public or private transport.

Some investigation of the student housing situation was undertaken during this study. The housing officer at the university was interviewed, and several estate agents were asked about specific student housing issues.

In general, it would appear that student housing is not a significant issue. The main reason for this is that the demand does not appear to be great, although the university appeared to have no data on the actual or potential demand. In brief, while a recognisable specific group to be housed, students are one of several identifiable groups seeking housing and part of the broader rental market.

The university has some dedicated student housing on campus which is utilised mainly by overseas students, although it was reported that this accommodation is generally not fully utilised. The reasons suggested were relative high costs (in comparison to alternatives) and preference for living off-campus (especially for local/non-overseas students).

For other students in need of housing, it would appear that low cost (and often low quality) rental properties were generally chosen, although some estate agents suggested that this ‘demand’ may be partly driven by ‘supply’, with many landlords indicating they preferred not to rent to students. In general, for both social and economic reasons, students lived in a group housing situation. One preferred location for students was the rental units in the area adjoining the university in Lilydale, although it was reported others took low cost rural/semi-rural properties, which was predicated on car ownership/use.

Specific student housing, when supplied, does present some special issues. One key issue is that the use of the property is usually limited to two periods (semesters), with non-teaching periods (especially the long summer break) creating a problem which students often overcome by paying rent for these periods in order to secure accommodation. Secondly, demand typically peaks in February, especially for new students who receive course allocation about this time. Thirdly, students are less car-mobile, and location near the campus and near shopping and other facilities is generally very important.

While an increase in student numbers is likely to have a positive economic effect on the Shire, and would have some impact on the housing market, especially the rental sector, at present it would not appear to be a significant issue. However, given the lack of actual data on demand and supply, it would be a positive move for the Shire to work with the university to develop a clearer picture for future planning.

The presence of these educational institutions can bring an added cultural dimension to local communities. The presence of students can bring about a more lively social activity. Education is a recognised economic ‘multiplier’; it attracts peripheral industries, especially service industries. The key issue for specialised student housing is location – it needs to be close to the educational institution; it requires available land and appropriate zoning.

(iv) Homelessness

While one form of homelessness is those who literally have no roof over their head on a night, it can also refer to those with no stable accommodation. Accurate up-to-date data on its extent in the Shire is scarce.
The most recent data, from the 2001 Census, indicates there were 513 homeless people in the Shire, a rate of 37 per 10,000 persons.\textsuperscript{13} This is at the lower end for suburban Melbourne where the rate of homelessness varies from between 26 and 63 per 10,000 population. Of the 15 statistical subdivisions that constitute suburban Melbourne, the Shire is ranked equal seventh with the City of Hume, with Melton-Wyndham (26), Northern Outer Melbourne (27), South Eastern Outer Melbourne (30), Eastern Outer Melbourne (31), Eastern Middle Melbourne (32) and Southern Melbourne (29) ranked below them.

The 513 homeless people in the Shire have different levels of homelessness as outlined in Table 18. Compared with Melbourne, Yarra Ranges has a higher proportion of homeless people living in improvised dwelling, tents and sleeping out (primary homelessness) (13% compared with 7%) and in caravans (tertiary homelessness) (23% compared with 12%).\textsuperscript{15}

Table 18: Homeless in the Shire of Yarra Ranges

<table>
<thead>
<tr>
<th>Type of homelessness</th>
<th>Yarra Ranges</th>
<th>Melbourne</th>
<th>Rural Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>Primary</td>
<td>66</td>
<td>13%</td>
<td>737</td>
</tr>
<tr>
<td>Secondary (other households)</td>
<td>234</td>
<td>46%</td>
<td>5,360</td>
</tr>
<tr>
<td>Secondary (SAAP)</td>
<td>95</td>
<td>19%</td>
<td>3,715</td>
</tr>
<tr>
<td>Tertiary</td>
<td>118</td>
<td>23%</td>
<td>1,400</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>513</td>
<td>100%</td>
<td>11,212</td>
</tr>
</tbody>
</table>

Rate per 10,000 persons 37 33 56 37


Notes: The above sources outlines a range of assumptions regarding this data

Primary: those in ‘improvised dwellings, tents and sleepers out’
Secondary (other households): individuals staying with other families (reporting ‘no usual address’)
Secondary (SAAP): people in SAAP accommodation (hostels, refuges etc)
Tertiary: people in boarding houses and marginal residents of caravan parks

The causes and solutions to homelessness are not well appreciated. Especially among youth, it is often associated with family tensions, although it can also be separately, or in addition, associated with mental illness and drug addiction. In general, homeless people are often lacking in social and organisational skills. Housing programs often attempt to both house young people and teach them social and organisational skills with the anticipation of making them more independent.

Council can play an important role encouraging acceptance of homeless people. The rejection of homeless people is often most clearly articulated when applications for development and the location of dwellings for homeless people are proposed. In general, while some community members may totally oppose them anywhere, others will argue for them to be in inappropriate locations. In this Council will have the difficult role of educating the community, supporting responses to homeless people and negotiating their appropriate provision.

**(v) Caravan park residents**

Council documents list seven caravan parks in the Shire providing 257 long-term sites, 356 short-term sites and 129 camping sites. Yarra Junction and Belgrave have two caravan parks each.\textsuperscript{16} Three other caravan parks are located in Lilydale, Badgers Creek and Warburton. A number of community workers indicated that low income households especially single parents with dependant

\textsuperscript{13} This does not include the Eastern Part of the Shire, i.e. Yarra Ranges (Part B)

\textsuperscript{14} Marginal residents of caravan parks are included in this data.

\textsuperscript{15} The majority of tertiary homeless persons are marginal residents of caravan parks (95 persons) rather than boarding house residents (23 persons).

\textsuperscript{16} Data from Shire of Yarra Ranges
children and single adults live permanently in caravan parks. The anecdotal evidence is that caravan parks in the municipality charge:

- Young people up to $200 per week
- Single mothers up to $240 per week.

Community workers indicated that caravan parks are used as accommodation by single parents fleeing the family home after a family breakdown, as emergency accommodation for a range of households due to the shortage of crisis accommodation in the municipality, and by people with mental illness and with multiple needs. These households find themselves isolated and living in precarious situations without support.

Interviews with caravan park managers also indicated that in some significant numbers of cases residents chose to use caravan parks as a residential base for reasons of convenience and not because they were forced there by economics. These interviews, and interviews conducted for other studies, have also indicated that the ‘community’ atmosphere of caravan parks may be a positive feature for some people, although this is often very much dependent on the personal goodwill of the manager who exercises a high degree of prima facie selectivity in accepting long-term residents.

Caravan park accommodation is neither appropriate nor affordable for low income households or people with mental illness. Loose tenure arrangements (not covered by the Residential Tenancies Act in the first 120 days of occupancy), inappropriate locations and poor living conditions, especially for families with children, make caravan park accommodation unsuitable. While it represents an inadequate housing option, few alternatives are available short of living on the street, in cars or in the forest – even less attractive alternatives.

Council has a direct role in determining the quality of caravan park facilities. It is the responsible authority that implements the Residential Tenancies (Caravan Parks and Movable Dwellings Registration and Standards) Regulations 1999. The objective of these regulations is to provide for:

- Standards of design, construction and installation and maintenance of movable dwellings in caravan parks
- Standards for facilities and services in caravan parks which protect the basic health and safety of residents and occupiers.

It is unclear as to what degree of ongoing control and assessment Council undertakes in respect of caravan parks and long-term residents. However, it is clear that some ongoing relationship with the parks is important in any housing strategy. Probably the most important thing, after ensuring physical standards are met, is to ensure that the residents are aware of their access and entitlement to various services, especially those provided by Council to residents in houses, units and other residential forms. Often these residents are particularly vulnerable and lacking in negotiating skills. However, as noted above, not all long-term residents fall into this category, and caravan parks should not necessarily be written off as totally unacceptable as long-term living forms.

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17 Caravan park managers interviewed were concerned that parks are not appropriate accommodation for single parents, children and people with a disability.
(6) Shire of Yarra Ranges: review of current planning arrangements

This section outlines the results of preliminary investigations by the consultant team on ways in which current planning arrangements impact on housing outcomes in the Shire. A later section (Section 11.2) outlines the planning framework as a context for developing and implementing a Housing Strategy and Action Plan.

6.1 A policy approach

Providing medium density development applications meet the assessment criteria relevant to the zone (eg, ‘Rescode’ and Residential 1/2, Zones), there is limited scope to statutorily limit medium density housing in residential zones. However, a strong policy direction can assist in directing.

Several metropolitan municipalities, including Yarra Ranges have attempted to indicate areas where greater medium density is encouraged and desirable, and where it is discouraged. This approach is a key to successfully attaining a key objective of Melbourne 2030, urban consolidation, which, in addition to denser housing development includes good access to a range of services including shops, health and community facilities in designated economic activity centres, thus ensuring a sustainable city.

The designation of preferred medium development areas has considerable equity implications. A dispersed array of medium density housing will offer little by way of increased urban amenity, and indeed may reduce it. In brief, part of the argument for acceptance of medium density housing as a living style is that some ‘reduction’ in housing amenity (for example, less private open space) is compensated for by increased public amenity (such as access to services and public open space). It is also claimed, but with considerable qualification, that medium density development results in cheaper housing due to reduced land costs, shorter infrastructure lines etc.

The Victorian government’s current approach of virtually assuming all residential zoned areas are equally amenable to medium density would appear to be a recipe for an unsustainable city. This random, market-driven ‘spot development’ of medium density across an urban landscape is simply unsustainable. One result of this random approach it that all residents suffer limited access to services, because the ability of ‘Activity Centres’ to work as planned is diluted, while at the same time the demands on car travel etc. are increased leading to a less ‘sustainable’ city. This is antithetical to a key Objective of Melbourne 2030. It also means that most residents live with the uncertainty of whether a multi-unit development will take place next door and increases general community resistance to multi-unit development.

At present there is limited statutory scope to enforce the logic of encouraging greater densities in appropriate locations, but especially of discouraging or preventing it in other areas within the key residential zones. Cl 55.00 provides some limited scope to reject inappropriate development applications, especially through the sub-clauses relating to Council Residential Policy (C155.02-1) and others such as Infrastructure availability (C1 55.02-4).

Nevertheless, in general, the possibilities at present remain limited and, in the absence of stronger direction and controls, rejected applications are likely to be contested (and won by the appellant/applicant) at VCAT. This is not just an issue for Yarra Ranges. The best way to approach this issue may be through a regional or peak association such as the Melbourne 2030 Eastern Regional Housing Working Group. A concerted approach and representation to the Victorian government is important as, like most local government policy and practice issues, they do not ‘stop’ at the border. The action of any one municipality, for example, limiting or controlling residential development, can have repercussions in adjoining areas.
6.2 **Designating development/redevelopment areas**

The process of designating areas for increased and encouraged medium density (and areas where it is discouraged) will be a complex one requiring a close examination of the existing urban areas of the municipality, using a clear set of criteria.

There are few significant or large Greenfield (i.e. undeveloped land) sites in the Shire which are available and amenable to residential development. Indeed the only significant areas of development/redevelopment potential would appear to be in the ‘metropolitan’ urban (Mooroolbark/Lilydale) area, and even there, in comparison with the adjoining fast growing municipalities of Casey and Cardinia, they appear limited. For this reason, it is unlikely that the Shire will attract the ‘large’ greenfield developers like Delphin-Lend Lease. At best it will attract medium size developers, with the majority being small-scale developers. This has implications for the ‘education’ of developers, as small developers are often difficult to ‘capture’ for the dissemination of policy etc.

Nevertheless, because of the terrain of much of the municipality, including in many of the townships, and especially in the Dandenong Ranges and Foothills, there is good reason to restrict densities in many areas. Increased densities put significant additional strains on infrastructure, especially roads and reticulated services, and may be ecologically unsustainable, although the rationale for constrained growth in some of these areas appears to be vague or unknown. It may be that there is increased potential for further consolidation. However, before any expansion of areas where medium density might be encouraged, Council will need to clarify the basis or criteria on which increased densities should be encouraged or permitted. While the designation of actual criteria would need careful investigation and further testing (and thus be the subject of a separate study), it is likely to include private and public transport access, efficient and viable infrastructure provision, land capability and availability, and the environmental impact.

Several parts of the ‘metropolitan’ urban area are ripe for redevelopment, e.g. in Mooroolbark where much of the housing is approaching 50 years of age and on large allotments. As 50 years is often considered a ‘life’ of a residential building before extensive repair/redevelopment is needed, these areas may become *de facto* redevelopment areas.

The townships present additional issues. For reasons more related to both social and ecological sustainability, medium density development/redevelopment may need to be focused on certain designated ‘townships’ which will become mini urban ‘nodes’. These ‘service delivery nodes’ or ‘mini activity centres’ and their role in a Yarra Ranges housing strategy is emphasised in several parts of this report. This demarcation of mini-‘activity centres’ will be imperative if future efficient and economic community service delivery, and social and environmental sustainability is to be achieved. As noted above, especially with an aging population, Council is likely to be called upon to make greater service delivery in the future. Consolidation in the townships, and the development of ‘delivery centres’ is likely to be an important aspect of efficient and equitable delivery.

Thus the present approach of Council to designating medium density areas should be continued, but a review of the actual areas designated is warranted using a clear and logical set of criteria which takes into account the array of issues, some of which are noted above. In addition, because any restriction of development in one municipality may mean developers simply go elsewhere to a more ‘lenient’ municipality, it would be in Council’s interests to see this as a metropolitan issue, or at least a ‘regional’ one, and thus determine to work in concert with other municipalities to achieve greater control over this issue.

6.3 **Conflicting approaches to consolidation?**

At present the local planning scheme may be interpreted to indicate conflicting approaches to consolidation. While Cl 22.0 notes the need for urban consolidation, especially in the townships, it appears to concurrently limit the ability to consolidate by insisting on large sites in subdivisions in
many areas, as well as emphasising the retention of a single dwelling per site status. To reinforce this position many of the townships have areas delineated as suitable for medium density housing, which by implication excludes the other adjoining sites in the zone which would normally allow medium density. Although there may be good reason for restricting growth in many areas, the rationale for the demarcation of these areas appears vague or missing, and may be based on outdated information. It may be that with new technology in relation to reticulated services etc., some excluded sites could be included. These restrictions and designations warrant review with the objective of indicating potential new and additional areas which could assist in meeting demand from the growth in population and households.

6.4 **Urban Growth Boundaries**

Yarra Ranges probably has the most complex array of ‘urban boundaries’ of all metropolitan municipalities. This complexity is brought about by the existence of isolated townships in conjunction with other geographical features which limit or direct development.

Urban Growth Boundaries are a key to urban sustainability and are an accepted and supported constraint on Melbourne’s expansion. In the immediate future, it is unlikely that the Victorian government will alter these boundaries.

However, the rationale for some boundaries is unclear, and has drawn criticism from some quarters which suggest anomalies. As part of the process of investigating and demarcating areas of potential denser development, the current designation of urban boundaries may warrant some very limited review. Using similar criteria to that used to identify areas already within the boundaries, areas adjoining the current boundaries could be investigated for a review, especially where, *prima facie*, there appears to be an apparent anomaly.

A strategy of increased growth or redesignation of residential areas in the Shire may engender potential clashes with various other significant activities. It is recognised that some key economic catalysts in the Shire are tourism and intensive agriculture (especially viticulture). The protection of these economic drivers is of high importance and development should not compromise the agricultural pursuits and ‘rural image’ which is the basis of the tourist attraction. Already it is recognised that there are difficult issues of a clash of land uses and practices within the Shire. For example a key issue is that of crop spraying where the spray has the potential to drift over residential areas. For these reasons, the existing ‘buffers’ may need to be revisited and emphasised to ensure potential for such clashes is minimised.

6.5 **A question of design**

Whatever approach Council takes on the issue of population/household growth, there will be pressures to develop more medium density housing. This is likely to be poorly received by some sections of the community which have a negative image of medium density housing, and fear it will destroy the ambience of key parts of the municipality. Conversely, it has been noted that early antipathy to medium density housing in metropolitan Melbourne has significantly shifted to one of positive acceptance, with some qualifications concerning design issues.

The negative view of medium density housing has often been fuelled by what is arguably poor design. While the planning scheme assessment criteria for medium density housing (Cl 55.0) can control some aspects of design via the ‘neighbourhood character’ sub clause among others, it ultimately has limited control of the overall aesthetics or liveability of developments because the planning scheme on its own is not an architectural guide. Indeed, the issue of what is ‘good residential design’ is a vexed one.

At present the key assessment basis for development applications which require a planning permit, which includes all medium density applications, is Cl 54/55.0 (‘Rescode’). In general, these criteria,
apply to all developments in residential areas, with a limited degree of flexibility. In particular, applicants are apt to mistakenly assume that if they meet the ‘Standard’ they have met the Objective of the various subclauses. This is a reverse of the aim of the regulations. The Objective may be achieved by other than the ‘Standard’ noted in the scheme.

However, six of the Schedules of the sub-clauses, with statutory approval, are able to be varied. It may be that a review of these key schedules, especially those relating to Private Open Space (55.05-40), Street Setback (55.03-1), Built area (55.03-3) and Land Permeability (55.03-4) could be revised in a way which would assist in retaining the ambience of sensitive areas. In particular, increasing the demand for permeable and open space will enable the development or retention of larger and denser vegetation, and thus retain the ‘character’ of the Shire. While the changes would affect all parts of the included Zones, a judicious interpretation of applications, based on established policy, could result in accepting reduced areas where it is desirable and applicable and meets the ‘Objective’. In this way it would not unnecessarily stifle medium density development.

It is likely that most of medium density developments will take place in the older (sub)urban areas of Mooroolbark/Lilydale, although other smaller areas, some in townships, may be identified as potential medium density areas. In other areas, medium density developments may only be permitted under very limited conditions.

No doubt medium density developments will alter the general ‘character of an area, for example, much (but probably a minority) of development will be double storey, in what is currently predominantly a single storey landscape. By its very nature, it is likely to reduce the vegetation canopy, especially the low growth shrub type common in suburban gardens. With this in mind the application of well-developed, appropriate urban design guidelines will be crucial to the retention of the current or desired neighbourhood character in an area.

In addition to the statutory provisions outlined above, urban design guidelines can be developed which will assist in ensuring better design of all developments, but especially in the case of medium density units. This approach to urban design guidelines for medium density housing can be seen within a framework of the general division of or typology of sectors within the Shire: the metropolitan and regional centres, the suburban areas, townships and villages in the hills and in the valley, and the rural ‘hinterland’.

Because the character of areas varies considerably, different guidelines may apply to different areas, though there should be some key basic guidelines which are generally designed to keep the overall ‘green’ image of the Shire. Special guidelines may also be developed for central areas of the townships, especially those where some form of medium density residential development is to be encouraged, which may be a mix of residential and commercial activities. These guidelines are likely to be incorporated into what are essentially mini-’structure plans’ for these areas.

The Neighbourhood Character Study is considered especially important as it notes the key design characteristics at the precinct level. This analysis is likely to be crucial to the potential future development of multi-unit sites within the Shire.

The broader issue of medium density development is likely to be a vexed one among the community, with some segments pushing for greater development (and population growth) while others will actively seek to limit development to preserve and protect the environment as it is now. Protecting the vegetation environment and keeping the status quo is also likely to affect the type of architectural style which is seen as ‘appropriate’, in particular to opt for ‘conservative’ or traditional architectural style. However, urban design should not confine architectural expression to merely conservative design, nor encourage ‘reproduction’ architecture as a panacea for ‘heritage’ appropriate development. The design rules should encourage innovation, and design which, most of all, takes account of the natural landscape conditions.

It has been claimed that imposing restrictions on residential design, including design restrictions, can lead to increased housing costs. This will be seen by many as a strong negative, as it makes
access to housing more difficult. While this can be so, careful design restrictions can also result in little or no price increases. At the same time, it can encourage innovation in design.

From this it follows that in any residential assessment for planning permits, some aspects of ‘Rescode’ (Cl 54/55.0) should be emphasised. The first one is that all development applications should present a thorough Neighbourhood and site context picture, using not only plans, but also photos and other means of showing the limitations and potential of sites. From this the Design Response should be a real response to the conditions (coupled with the development ‘brief’ for the site). Other aspects of the code which will be important include issues of permeability and landscaping.

In order to ensure consistency and rational responses to applications, the Shire would need to put extra resources into training planners in these issues. While planners are generally aware of the basic issue around urban design, because of limited experience, high turnover in the professions generally and the employment of planners from municipalities where these issues are considered to be less crucial, some in-service training may be appropriate.

Good urban design is also not just a function of having design guidelines. Council also needs to be more proactive and run information sessions (with examples) for the local building and development industry on why there is a need for good design and what represents good design. One innovation used overseas (notably in the United States) is to have community design panels where members of the local community assist planners in assessing what is good design. Community involvement in such a sensitive and vexed issue can assist in legitimising policy, although the basic approach is best initiated by skilled professional staff.

The urban design guidelines and their implementation will also be strongly tied to the environmental issues which relate to the Shire. This will affect issues such as availability of water, powerlines, sewerage and vegetation retention.

Overall, a key to ensuring the success of and broad community acceptance of increased medium density will rest on a well-developed statutory and policy bases. In addition it will be enhanced by a broad public education campaign which might include good design awards to highlight the positive potential.
The Shire of Yarra Ranges: Consultations with stakeholders

The analysis of secondary data on the Shire of Yarra Ranges (as outlined in Section (3) to Section (6) above) was complemented by a series of consultations (forums and interviews) with various stakeholders. These consultations sought to draw mainly qualitative data in order to enhance the value of the quantitative data analysis.

A number of consultations regarding the housing needs and issues were held with:

- Local residents: at four public forums in October 2004 (see Appendix 4A for a detailed report)
- Non-government and government organisations (including Council staff) that provide services within the Shire of Yarra Ranges in September 2004 (see Appendix 4A for a detailed report)
- A range of private sector stakeholders from October to December 2004 (see Appendix 4B for a detailed report).

This section summarises the major issues, perceptions and perspectives regarding housing experiences and needs in the Shire of Yarra Ranges. It is divided into four main areas:

(i) An overview of the positive attributes of the Shire of Yarra Ranges, that is, the reason people expressed the desire to live and remain in the Shire
(ii) Demand-side issues including housing needs by household structure and characteristics, and access and affordability
(iii) Supply-side issues including housing form, and development and planning
(iv) A potential role for Council.

This summary of the consultations does not draw nor is it intended to draw conclusions. Rather, it reports the comments made by people who participated in consultations. The purpose of the report is to provide a flavour of the perspectives and attitudes of members of the community, private sector and non-government organisations by documenting the range of consultations that were conducted between October and December 2004.

(i) Positive attributes of the Shire of Yarra Ranges

A constant question raised in the consultation process was ‘Why did people choose to live in the area’? The commonality of the answers from a diverse range of consultation participants is striking. The main reason given for living the municipality was the natural environment of green spaces and trees. Even in the metropolitan parts of the municipality the natural environment is greatly valued by residents. The second reason given for people choosing the Yarra Ranges was because of community links such as family ties in the area.

(ii) Demand-side issues

There are a number of household groups that are faced with a range of complex problems in accessing appropriate housing in the Shire. Consultation participants at public forums and from organisations (both government and non-government) as well as the private sector referred to the same groups as having problems accessing appropriate housing. These groups are as follows.
Older people (aged over 65 years)

Older residents living in the Shire confront a range of issues. These include the difficulty of remaining in the family home as the person ages and becomes increasingly frail. The difficulty is created by the lack of a range of appropriate services and supports particularly in the rural towns. This problem is exacerbated by the lack of smaller housing stock in the rural areas and limited number of older person housing stock. 

The lack of appropriate housing for older people may have contributed to the high proportion of older people (a number in their late 70s and 80s) living permanently in caravan parks both in the metropolitan and rural neighborhoods in the Shire. Though, one caravan park operator raised the concern that caravan park accommodation is unsuitable when an older resident becomes ill or frail. The inability to develop dual occupancy housing on large blocks was cited as a barrier for older people maximising use of their primary asset (the house and land) limiting their ability to remain in the area or better use their underutilised land and housing.

Older people who want to ‘downsize’ into smaller housing prefer to remain within the area close to family and networks but in neighbourhoods with access to medical and support services.

Young people (aged 15 to 25 years)

There appears to be no appropriate housing for low income young people living independently. Whilst there are good services and supports for young people in Belgrave there is no housing for young people. In the Shire there is no emergency housing, no community or public housing stock for young people. Young people both unemployed and those attending school are in need of housing in the Shire. 

This lack of stock has led a number of young people to seek caravan parks as housing. However, caravan park managers have attempted to bar entry into caravan parks for people under 18 years of age. 

The lack of public transport in rural centres, valley townships and villages was seen as a cause of many young people leaving the area to complete both secondary and tertiary education.

Single parents on low income

The increasing cost of housing both purchase and rental across Melbourne and in the Shire has led to a shortage of private rental stock for single parents. Rental stock that was previously let to single parents is now being taken by families seeking home purchases, particularly around Yarra Junction near the Steiner School. 

Some single parents are renting caravans for short-term accommodation (up to twelve weeks) as they cannot located affordable rental housing.

Home purchase affordability

Consultation with private sector stakeholders has indicated that the Shire has limited housing suitable for first home buyers in the price range between $200,000 and $300,000. This stock is located in the metropolitan areas of Mt Evelyn, Lilydale, Mooroolbark and some in Yarra Glen. But the affordability was diminishing with increased price pressures on housing partly as a result of the Commonwealth government assistance provided by first home buyers grants and partly as a result of relatively low interest rates. 

The areas perceived as affordable (for example, Mt Evelyn, Selby and Menzies Creek) are no longer in the reach of first home buyers but are now being purchased by second and third home buyers.
Other areas cited as affordable for first home buyers are in western outer area particularly Millgrove. It was suggested that Millgrove is also the location of some housing investment due to the low price of the housing stock, which is not necessarily good quality stock but a good return. It was proposed that investors can buy for properties for between $150,000 – $160,000 and rent them for $150 to $160 per week.

But, at the same time another private sector interviewee pointed out that there are problems at Millgrove, conflicts between people who have gone to Millgrove for seclusion and those who have gone because of affordability (rental or purchase) but did not take account of the isolation. Hence people have an affordable home but no employment, limited public transport, no child support or activities and no conveniences such as home delivery. People do not appear to make a considered decision about affordability versus isolation.

**Affordable rental housing**

Community organisations stated that there was very little affordable rental housing stock. This seems a paradox in view of the relatively good rental affordability outlined in the previous section and reinforced by the private sector stakeholder at the consultations who maintained that there is affordable rental stock ($140 to $150 per week) in:

- Small townships such as Wesburn and Millgrove, as well as pockets in Healesville
- Flats in Lilydale, where it is possible to get a good 2 bedroom flat cheaper than in Yarra Junction ($150 to $160).

The paradox is partly resolved by appreciating that the rental market in Australia has always been unaffordable for those on low incomes and particularly those on any form of pension or benefit. With increased casualisation of the workforce resulting in low incomes for many younger persons and households and with the growth in disability and aged populations, there will inevitably be a mismatch between low incomes and market rents.

Moreover, community organisation workers assert that the affordable rental housing stock is of poor quality and not located near transport, facilities or schools.

There was unanimous accord that there was demand for 1 and 2 bedroom rental stock but it is very limited stock. Thus, singles and couples rent houses as that is the only rental stock.

The caravan park managers confirmed that a number of single adults, especially males live in caravan parks, though it may not be ‘affordable’ as the cost of renting a caravan is $145 plus power (metropolitan caravan park).

Both caravan parks outline that people are living in short-term sites (under 12 weeks) because they:

- Cannot find affordable rental accommodation, and/or
- Are in ‘dire straits’, have nowhere else to go, ‘have not chosen to be here’, e.g. single parent families.

It is of concern that low income vulnerable households are renting in caravan parks for the short term as they are not protected by the *Residential Tenancies Act 1997* (RTA). The RTA is only applicable for continuous occupation over 120 days.\(^\text{18}\)

(iii) Supply issues

A key issue raised by a number of participants was that restriction on development placed on the Shire by the newly designated Urban Growth Boundary. However, this is a Victorian government policy out of the control of the local Council.

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\(^{18}\) Before the 2004 amendments the RTA did not apply for the first 90 days of occupation. This period had now been extended to the first 120 days (17 weeks).
The two main issues raised at all the consultations are interrelated:

- Lack of 1 or 2 bedroom stock
- Difficulty in developing medium density stock, including dual occupancy.

Both local community and private sector stakeholders pointed out that the Shire has confusing and what appears to be contradictory policies and locations for medium density development across the municipality. The common complaint was the restrictions on dual occupancy in areas zoned as rural which are now suburban, e.g. Mt Evelyn. A number of examples were given of inconsistencies where dual occupancy was not allowed though large lots had 2 street frontages or land adjacent or backing could be subdivided. Areas nominated included Warburton, Yarra Junction, and Mt Evelyn. There appears to be a common view that any planning guidelines or criteria for development of medium density needs to account for:

- Protection of the natural environment
- Respect for the local neighbourhood character
- Consideration of the local infrastructure both capacity of the water and sewerage systems as well as access to services and facilities.

A number of sites were nominated as potential medium density development such as Mooroolbark and Warburton and the rural townships with new sewerage infrastructure.

(iv) Potential role for Council

The consultations produced a range of proposals for Council activity in housing. The suggestions can be grouped into the following areas of activity:

**Facilitative Planning Role**
- Develop incentives to guide medium density or dual occupancy development
- Develop a policy regarding capacity to make dual occupancy on corner blocks in rural townships
- Review the planning scheme and enable smaller lot sizes and higher densities in rural townships in areas with low gradient
- Develop design guidelines for medium density and dual occupancy.

**Advocacy and Education**
- Advocate for improved transport services
- Sell the idea of medium density housing to developers
- Educate the community about positive impacts of medium density and ‘community housing’ developments
- Advocate to state government to review the Urban Growth Boundary.

**Brokerage and Partnerships**
- Assist community groups and new home owners to seek finance, e.g. Bendigo Bank
- Negotiate with developers to get affordable housing in developments in townships by trade-offs, e.g. fast-track-planning
- Work with Lions, Rotary and Senior Citizens to locate suitable land for older persons housing
- Negotiate with the private developer for affordable older persons housing at the Warburton former hospital site.
(8) Shire of Yarra Ranges: Concluding summary

The previous sections have outlined major demographic and housing market attributes of the Shire in some detail. To assist a quick understanding, the major characteristics and trends are as follows:

- Population and household growth, while positive, is well below that of metropolitan Melbourne and Victoria. Increasing this growth rate can only occur by increasing the ability to provide more housing.

- The population will age over the next 30 years, with negative growth in all age cohorts less than 54 years. This has important housing implications as older people in single and couple households seek housing forms most appropriate to their circumstances.

- The current household structure is not dissimilar to Melbourne, with the exception of a lower proportion of single parents. Data trends suggest that future household growth will be in childless couples and single parents (smaller household types), while there will be contraction in the size of families. This will also impact on the most appropriate future housing form, possibly by way of a demand for smaller housing units.

- A disproportionate number of residents work outside the Shire, which emphasises the importance of major railway and highway links and the need to concentrate housing around these links.

- The Shire attracts home purchasers. This has not affected the income patterns of in-movers who are very similar in age and income to those of the 1996 census, unlike some other outer urban municipalities that are increasingly attracting lower income groups.

- With over 90% detached housing and 80% home ownership, the Shire has a remarkable homogeneity of stock. Given the likely changes in demographic profile, it will require more diverse household forms in the future.

- Median house prices have broadly moved in line with other outer urban areas and at a lower rate than the metropolitan average. While this makes local housing relatively more affordable, even these movements have been substantial enough to bring about negative affordability outcomes. By 2003 first home buyers needed to be in the top 50% of income earners to purchase in the municipality. Put another way, an income of around $60,000 per annum was necessary for first home ownership in 2003, although access would be easier in the more outlying townships. This raises issues of strategies and actions to make housing more accessible and affordable.

- Relative to Melbourne, and especially in contrast to inner urban areas, the private rental stock is small (8.3%) and apparently contracting. In 2003 only 133 flats and 375 houses were available in the December quarter for potential renters to access. Nevertheless, there is little evidence of pressure on rents, which are no higher than five years previously. Median rent levels of $165 per week for a two bedroom flat are highly affordable relative to Melbourne as a whole. Consequently 55% of the Shire’s rental stock can be described as low cost, compared with 33% for Melbourne as whole. On the basis of this data, it might be concluded that access to rental housing is not a key issue in the Shire. However, these low rents may also indicate something about the quality, amenity and location of the stock.

- Social housing is very limited in quantity, and is apparently in high demand as there are understood to be 1,800 applicants on the public housing waiting list in the Shire, 220 of whom require public housing urgently. In view of worsening house price affordability, this may present future housing problems. At present there are only 550 public housing dwellings (around 1% of stock) in the municipality. Assuming the turnover rate is the same...
as the national average for public housing, i.e. around 12%, this means only around 60 properties become vacant each year, suggesting a considerable need for increased units.

- Housing for older people who have few assets and low incomes and who do not wish to or cannot age in place is limited, with 257 independent living units (ILUs). Most of these were constructed in the 1960s and 1970s and are in need of upgrade. Outer urban areas such as Yarra Ranges are increasingly targeted for retirement villages, partly due to the availability of larger sites and relatively inexpensive land. However, they may not be in locations which provide easy access to public transport, retail services, medical services, community aged care services etc.

- Because of the homogeneity of the housing market, options for young people (particularly flats) are very limited. This may be one factor contributing to homelessness among young people in the Shire.

- Caravan parks are often being used as an alternative to public housing, which raises issues of affordability and appropriateness. In the short term, this suggests a need to develop targeted policies to ensure these residents have equal access to housing-related services and that park conditions meet appropriate standards.
PART C:

KEY CHALLENGES AND ISSUES
(9) Key challenges and issues

9.1 The Shire of Yarra Ranges within the Melbourne housing market

Key challenge/issue: to gain perspective on the Shire of Yarra Ranges housing market and Council’s Housing Strategy and Action Plan

As illustrated by the diverse views from the consultations, different stakeholders within and outside the Shire – residents, Councillors, Council staff, developers, planners, community organisations, building industry, estate agents etc. – all have a particular interest and perspective on the housing market within the Shire and where it should go. This presents us with a difficulty – what perspective does Council adopt?

One approach to this disparate and often conflicting interests and perspectives is to adopt one of the particular approaches such as the one which is most dominant politically. This partisan approach obviously does not take account of the other perspectives. A second approach is to attempt to develop a HSAP which balances these perspectives. However, such an approach does not distinguish between those interests and perspectives of each stakeholder which promote better housing outcomes and those which damage these outcomes because they focus on short-term gains and disregard others. So, how does Council gain its own perspective on the housing market in the Shire?

One way is for Council to develop an understanding of the Shire’s housing market within the larger context of Melbourne’s housing market. This also serves a further purpose of putting Council’s HSAP into a larger perspective.

The Shire of Yarra Ranges is located on the eastern outskirts of Melbourne. It is part metropolitan and part rural Shire. It has an established housing market which has developed progressively from area to area from the 1960s to 1990s. It has little vacant land and little capacity for greenfield developments. Its residential development has been dominated by detached houses on large suburban blocks which have attracted family households.

But the Shire operates within the larger housing market of Melbourne. Households tend to base their housing decisions on four criteria: affordability, perceived amenity and attractiveness of an area, the availability of appropriate housing and locational familiarity. In this larger context, the Shire’s housing market operates in competition with other fringe municipalities particularly those in the growth corridors and to some extent, by virtue of its amenity, in competition with middle ring suburbs.

Thus the housing market in the Shire of Yarra does not operate autonomously from that of metropolitan Melbourne but rather reacts to whatever is happening in that market. Indeed, an assessment of the relationship between these housing markets is a key issue. The changing dynamic of this relationship has formed the housing market in the Shire and will form future housing outcomes. This dynamic relationship will drive the growth of population and households, housing demand, house prices, rental investment etc. This relationship will create the demand for diversity in housing and pressures for multi-unit housing. This relationship is not static but dynamic – changing as the Shire changes and as other municipalities change. Currently, as illustrated in Figure 17, median house prices within the Shire tend to be at the higher end of narrow band for fringe municipalities. That it is at the higher end shows that the Shire is relatively attractive to buyers, most likely because of its environmental qualities as well as the established nature of residential development. But this can change as the relationship with other parts of the Melbourne market change.

The role that Council can play as this dynamic relationship impacts on the Shire is limited to the degree that Council is not directly involved in the provision of housing. However, it is not inert and
there are policy levers by which it can shape housing outcomes. Through these levers Council can oppose change; it can facilitate new changes or it can decide to promote them. Or depending on location it can do all three, for example, inhibiting growth in one location, accommodating it in another and actively pursuing it in a third. But the key to Council’s response through a HSAP is a growing understanding of the housing market in the Shire of Yarra Ranges in relation to the larger Melbourne housing market and developing a perspective on that. This leads to a multi-faceted strategy with Council pursuing different policies in different locations.

9.2 A shared housing vision

Key challenge/issue: to develop a shared vision for housing in the Shire of Yarra Ranges

Vision 2020 is Council’s vision and long-term plan for the Shire. It provides a strategic framework through which Council seeks a sustainable future for the Shire. It envisages Council working in partnership with the community to achieve this vision.

Council’s Housing Policy with its five KRAs gives effect to a particular aspect of Vision 2020. The difficulty in achieving this vision should not be underestimated. Three dimensions make it quite complex:

- The necessarily collaborative nature of the vision
- The social, cultural, environmental and economic factors which underpin the housing market
- The different types of localities within the Shire.

As Vision 2020 indicates, Council alone cannot achieve a vision for housing. It has limited powers and policy levers. It is largely reactive to changes in the housing market rather than initiating such changes although the latter is a possibility for certain locations and sites. However, it is developers who put forward housing applications for approval. It is developers who initiate changes and largely determine whether, when, where and how a site is developed. Council responds to an application by assessing it against various criteria.

A vision for housing can only be achieved in partnership with the local community. More than this, it requires partnership with a broader range of stakeholders – with potential residents, Commonwealth and Victorian governments, building industry, developers, real estate industry and community organisations. Council can enhance the probabilities of this vision being achieved by working collaboratively and in partnership towards a vision for the future. However, consultation without a framework can be a recipe for inertia and thus it is important that such processes have some structure and content to shape considerations and sharpen decision making. The housing strategy will be designed with this objective.

No vision can be set in stone. Local communities – their social connections, culture, environment and economy – evolve and develop. In this context, the neighbourhood character and the housing market is ever changing and adapting to new demands.

Each of the KRAs in Council’s Housing Policy will have a different meaning in different localities. For example, what constitutes a quality environment in Lilydale may differ from that in the Dandenong Ranges, and what constitutes diversity in housing type and tenure in Mooroolbark may differ from that in Yarra Junction or Millgrove. Thus any vision for the future must appreciate the particularities and differences of localities. Appendix 3 seeks to highlight some of these particularities and differences through an analysis of eight different areas. But, these particularities and differences can only be understood, appreciated and developed through a commitment to shared vision by all those whose actions impact on the locality.
9.3 Population growth – household growth – new dwellings

Key challenge/issue: for Council to adopt an approach to population growth for the Shire within which the housing strategy plays a supporting role

As illustrated in Figure 3, demographic trends suggest that the population of the Shire of Yarra Ranges will increase relatively slowly compared with Melbourne and Rural Victoria over the next 30 years. At the same time, as the average household size decreases and as the number of single and couple households increase (Figure 8), the Shire will have to increase the number of households to maintain this population. The DSE projects a 20% increase in households between 2001 and 2031 which effectively means another 20% increase in dwellings or around 10,000-11,000 dwellings.

Limited population growth, especially in a context of an ageing population, will have significant broader implications for the Shire and its ability to function efficiently. A growth in the proportion of the older population will generally reduce economic activity in the Shire, as those on pensions and limited superannuation will have less spending power. This can, for example, mean less spent on house maintenance, and a diminished ability to pay for rates and services. The effect of diminished ability to collect rate income will impact on Council’s ability to deliver services to all sections of the population. At the same time it would appear the Shire’s housing stock has a low value relative to some other parts of the metropolitan area and studies suggest there is a downward ‘rent (or house price) gradient’ from the CBD. This gradient is likely to remain, and may be exacerbated in the future. At the same time, a growth in the older population may put increased demand on Council to deliver more aged services.

The question of whether to grow the population of the Shire is a complex one. One the one hand, it involves the maintenance of the local economy and the stability of and access to services (retail, medical, hospital and community services etc.). On the other, it involves consideration of the impact of population growth on the environment and the local neighbourhood.

Both population projections and household projections within the Shire have their conditions, many of which are outside the control of Council. Population growth will depend upon a series of factors which interrelate in complex ways such as:

- The extent to which the population of Melbourne continues to grow
- The extent to which house price growth, Urban Growth Boundaries and other strategies result in changes in the type and location of dwellings within current residential areas
- The attractiveness of the Shire compared with other areas
- Whether the number of dwellings in the Shire increases to meet demand
- The availability of appropriate housing – whether the type and location of current and new dwellings are appropriate to households
- The price of housing in the Shire relative to other areas
- The buoyancy of the local economy and opportunities for employment and training.

Within this context, the extent to which Council can give effect to a decision to promote population growth within the Shire is limited. Council can pursue a policy of no growth or it can actively pursue population growth. But such a decision is not made on housing grounds though the capacity of the Shire to increase the number of dwellings to cater for this growth may be a consideration. Rather a decision to promote growth is one which is more related to sustaining the local economy and ensuring that residents have continued access to a broad range of goods and services without having to travel long distances.

Once Council has adopted an approach to population growth, a housing strategy plays a key role insofar as it can facilitate population growth or inhibit it. For example, the planning scheme may encourage or discourage builders and developers from constructing new dwellings; it may
encourage or discourage builders and developers from constructing types of dwellings in locations which are in demand from households – most notably, multi-unit developments appropriate for older persons, singles and small households. But underlying all this is the reality that an additional 10,000-11,000 dwellings will need to be constructed even to sustain a small growth in population.

9.4 Housing diversity – meeting the needs of emerging household types

Key challenge/issue: to develop a range of housing types which better meet the needs of emerging household types

The preceding section raised the issue of whether Council should promote population growth within the Shire and the supportive role which a housing strategy can play. Regardless of this decision, the current stock of housing within the Shire is no longer adequate to meet the needs of emerging households types.

Until the 1970s, the Shire was largely rural with many small townships scattered throughout. The small western portion of the Shire was extensively developed in the 1970s and 1980s, an era when the predominant form of housing provision was the detached dwelling and is currently the predominant form of housing in the Shire (see Figure 11). This is the form of development that the private sector believed would be demanded (and at one level they were right) but it is a form of development which places most stress on the local environment by virtue of its land intensiveness and which does not easily accommodate to changing housing demands over time.

But will detached housing be required on the same scale in the next 20 years? Given the very low proportion of multi-unit housing, the changing demographics and the changing economic situation confronting the Shire (as outlined in previous sections), it is the research team’s view that the Shire requires a greater diversity of housing stock and tenure.

For example one or two person households (as highlighted in Figure 8 these are the growth households) have a greater tendency to seek forms of housing without private open space or very limited private open space. This is because many in these household types have neither the resources nor the interest for maintaining such space. This is one of the factors that will create demand for more multi-unit housing in the Shire. In particular, as highlighted in Figure 5, demographic trends for the Shire point to an ageing population and the need for more housing consistent with the needs of older households.

But what type of ‘diverse’ housing stock is appropriate to the Shire? Such diversity could include:

- Detached houses of different sizes and storeys and on different size sites
- Semi-detached houses of different sizes and storeys and on different size sites
- Adding a second dwelling to a site
- Small-scale multi-unit development (2-6 units) with single storey units on a single site
- Small or large detached or semi-detached townhouse units on a large site, e.g. a retirement village
- Medium-scale multi-unit developments (6-20 units) with two storeys on a single site
- Large-scale multi-unit developments (20-50 units) with three or four storeys
- Large-scale multi-unit developments (50 or more units) up to 10 storeys
- High density high rise apartments
- Boarding houses, mobile home parks, hostels, private hotels, supported residential services, communes and other forms of non-conventional housing.
Some of these types of housing may not be appropriate to the Shire and, for the most part, they would not even be proposed by developers as they would be an over capitalisation of land given current prices. On the other hand, some of these types of housing could be introduced without making any noticeable impact on the landscape, the local neighbourhood character or the environment. For example, there may be little difference between a large four bedroom house with family room, dining room and ensuites and two 2 bedroom units or four 1 bedroom units on a similar site. It is possible that the building footprint may be less; the number of people living on the site (and the subsequent environmental impact) may be less.

Moreover, what is appropriate in one area of the Shire, e.g. near activity centres or in the metropolitan areas, may not be appropriate in the Dandenong Ranges or its foothills. So medium-scale multi-unit development may be appropriate in the metropolitan areas but only small-scale multi-unit developments may be appropriate in townships of the hills and valleys.

While the multi-unit housing has had its critics in the past, developers and residents alike are now more likely to accept it. Indeed, among some sections of the community, the demand for it grows: older people now accept the benefits of smaller land/gardens entailing less maintenance (although at the same time demanding larger internal spaces) and young people, lone person and couple households have equally seen the advantages, especially when they gain greater access to transport and other community services, shopping, etc.

In addition to meeting the housing needs of current older residents, the Shire will also have to confront a growing demand from older people living outside the Shire. Some developers are seeking to develop retirement and lifestyle villages on sites in the fringe municipalities. Some of these provide land at an economical price for the developer but they do not necessarily provide housing in good locations for the residents and may not complement the capacity of the Shire to provide adequate services. It is likely that these developments will primarily serve older people seeking to move into the Shire from other parts of Melbourne attracted by the environmental qualities of the Shire. The provision of older person’s developments will require careful management and planning. Council will need to develop a clear set of guidelines for assessing such developments. It is likely that such a set of criteria will involve questions of locations, terrain, access to public transport and community facilities and some design and social/community issues such as the desirability or otherwise of ‘mixed’ or separate communities.

But it is not just an issue of stock type, it is an issue of tenure notably the lack of rental stock. However this problem is largely solved by the provision of more multi-unit dwellings. Most will be bought by owner occupiers but these properties are also attractive to investors and so as multi-unit stock grows so will the number of landlords and therefore rental accommodation.

In summary, the housing stock in the Shire is predominantly detached housing and this will no longer serve the needs of emerging households. The Shire needs to diversify its stock. In doing so it needs to ensure that the types of housing developed are appropriate in relation to a range of criteria. Both types of housing and the appropriate criteria will differ by location. A housing strategy will need to address both these aspects if the Shire is to diversify its housing stock to meet the needs of emerging households.
9.5 Affordable housing

Key challenge/issue: to ensure that the Shire can continue to provide affordable housing to a diverse range of groups

Two measures of affordability

Affordability in Australia is no longer an issue only for the very poor households dependent on government pensions and benefits. It is now an issue for low and moderate income earners who are working. Thus, affordable housing is not merely social housing (public or community housing), it is also affordable housing for those households who are ineligible for social housing but are having difficulty in purchasing or renting private housing. It might also mean the ability of older persons to afford independent housing. As Figure 23 above showed, it now requires an income of at least $60,000 to afford the median priced house in the municipality and around $40,000 for even the lowest end of the market.

There are two broad measures of affordability in Australia. One is an income-related measure which is used by finance institutions for rationing loans or by social housing organisations for determining subsidised rents. The other is a housing cost measure. The income-related measure has many permutations but can be most usefully understood in terms of housing costs, that is, mortgage or rents, as some proportion of income. In Australia this is typically struck at 25% for public housing, and 30-33% in the private sector. The housing cost measure is very different, relating the notion of affordability to the cost of the dwelling and what can reasonably be afforded given current interest rates and lending rules.

General affordability

Using the housing cost measure, at one level, the Shire of Yarra Ranges has a good supply of affordable housing. Yet, at another level, it does not have enough. Amongst owner occupied and private rental housing, the Shire of Yarra Ranges has high availability of affordable housing compared to metropolitan Melbourne. However the most urbanised parts of the Shire such as Lilydale and Chirnside Park have median house prices higher than equivalent outer areas in the rest of Melbourne such as Cranbourne, Pakenham, Melton and Werribee. In this respect, prices are more comparable to some middle ring suburbs. The relatively higher prices probably reflect the shortage of vacant land for new supply and the perceived attractiveness of the Shire.

Households in broad terms purchase or rent based on three major criteria: affordability, perceived amenity and attractiveness of the area, and locational familiarity or their awareness of the area either through existing residence in the area or by visits to or travelling though the area.

Locational familiarity is very much a personal thing but the affordability and amenity are measured by the price or rent. The price or rent reflects the overall intensity of demand relative to supply with that demand shaped by judgments of the amenity such as employment opportunities, travel costs, private and public services, quality and diversity of housing stock. Relative to metropolitan Melbourne, the prices and rents of housing in the Shire of Yarra Ranges are somewhat lower. But as outlined above relative to equivalent outer areas, they are higher at least in those parts of the Shire closest to Melbourne. The difference between other outer areas is probably a combination of greater attractiveness fuelling demand, and a shortage of new development enabling supply to meet this demand.

The affordability of dwellings has a number of potential affects on local housing markets. Affordability relative to other areas can shape the levels of demand by different household types and income groups. Thus if the relative price of housing in the Shire of Yarra Ranges is higher than equivalent outer areas it is less likely to attract younger first home buyers as price levels may be beyond their range. It will increasingly draw in second and subsequent home buyers who are likely to be older with affects on demographic structure. Further, it may also attract builders and
developers who want to produce a product that is aimed more at the middle income range thereby accentuating a shortage of affordable stock for first home buyers.

**Housing for low income households**

For low income renters there is insufficient affordable private and social housing relative to need. Public housing waiting lists are long, and the proportion of public housing stock is disproportionately low relative to Melbourne as a whole. In the short term, the prospects of increasing the level of social housing in the Shire are low. However, it is important that Council work to increase these levels over the medium to long term.

Two groups of people – older persons and young people – are of particular concern. As outlined above in Section 5.4(i), older persons with limited assets whether owner occupiers or living in the private rental market will face difficulties. Those living in the private rental market are most vulnerable. In addition, long-term residents in the townships have strong ties in those townships yet face the prospect that they will have to move out of the area as they become increasingly frail and reliant of informal and formal support services. This may be one group around which Council could play a more active role in providing housing options.

The future of Shire lies in its capacity to retain its population of young people. Lack of housing/accommodation seems to be one of a number of factors which pushes young people to leave the Shire. The lack of both social housing and appropriate low cost private rental stock, e.g. flats and units, limits their options.

**9.6 Impact of residential development on the environment**

**Key challenge/issue:** to ensure that new housing developments have a minimal impact on the environment

The Yarra Ranges community is one which puts high value on the environment and environmental issues, especially those related to the preservation of the rural or green image. In any future housing developments, including alterations and extensions to existing properties, and any subdivisions, environmental issues are likely to be an important consideration. While the environment is an issue wider than the housing strategy, it has a strong connection with the strategy.

But what are the connections between residential development and the environment? For the purposes of a local housing strategy, distinguish between local impacts which a residential development may have and the wider even global impacts of urban development. The interest here is limited to the impact which residential development may have on the local environment. More specifically the concern here is the impact which residential development may have on the fauna and flora, the visual beauty of the area and the quality of water.

In making an assessment of the likely impact of residential development or increased residential development on environment it is necessary to identify the links whereby this development has its impact. Different impacts stem from different aspects of residential development such as:

- The way in which dwellings are constructed, e.g. clearing of sites
- Dwellings themselves, e.g. hard surfaces providing increased or concentrated water runoff
- The use of dwellings, e.g. sewage disposal, pets, heating
- Access to dwellings, e.g. roads.

Each of these may have direct impact on the fauna and flora, visual beauty or the quality of water, or the impact may be indirect such as when it leads to a small but significant change in the local climate which sustains the fauna and flora. On the other hand, the impact of many, if not all,
elements can be partly or substantially mitigated through various means, e.g. sewage systems, siting of dwellings, material used.

A responsible housing strategy would seek to minimise the impact of residential development on the environment whether this environment is of very high value (as in many areas of the Dandenong Ranges) or whether it regarded as of lesser value. However, the impact of residential development on the environment is, in the first instance, one which needs to be identified, explored and understood within the context of developing an environmental strategy. The examples above point to the complexity of the possible impact on the environment but also the possibility of mitigating these impacts in various ways. These issues become housing issues insofar as they require changes to the way in which housing is planned, constructed, managed and used.

Council could adopt a number of approaches to the interrelationship between housing and the environment. It could prohibit any further development in environmentally sensitive areas; it could further research and substantiate the relationship and the conditions under which residential development can attain some minimal level of impact, or it could allow residential development provided that mitigating strategies are adopted by builders/developers as well as owners/occupiers to ensure that this minimal level of impact is achieved.

The environmental sensitiveness of an area may not be an absolute limitation on further development. Providing due regard is given to sensitive environmental issues and mitigating strategies are incorporated into the design, construction, management and use of dwellings, some further development may be viable in many areas. The initial task, however, is one which must be undertaken as part of an environmental strategy rather than a housing strategy.

9.7 Impact of residential development on local neighbourhood character

Key challenge/issue: to ensure that new housing developments are reasonably consistent with the local neighbourhood character

The diversity of population centres in the Shire, each with their own character and specific issues and problems, means that any housing and planning policies have to be sensitive to local needs. Council’s Local Neighbourhood Character study highlights one aspect, the landscape aspect, of this local character and sensitivities.

However, this is not easily achieved: in part because local needs are perceived differently by different groups, in part because existing policy levers such as the planning scheme are not easy to adapt to local requirements and in part because some problems are of a scale not easily addressed by the Shire alone. For example, Lilydale as a commercial retail centre has some fundamental design problems that have emerged as a result of unintended side effects of an urbanisation. The station does not relate well to the retail strip, ‘Swinburne at Lilydale’ does not relate well to the town centre or any notable residential area, the retail strip is fragmented and the surrounding detached housing is of a form that does not create any sense of liveliness or integration into the centre.

Different strategies – economic, land-use, transport, community development, and physical and social infrastructure – along with housing can each play an active role in the revitalisation or development of a neighbourhood. However, any shift in Council policy, and any new and perhaps somewhat different directions for a local area, will conflict with current community expectations of a local area and the local neighbourhood character. It is important, therefore, that not only the ‘landscape’ aspects of neighbourhood are identified and understood but that they are also identified and understood in relation to the dynamics of local communities, the local economy and the local environment.
Local neighbourhood character is difficult to define. It is ever shifting and changing. But these changes have their limits and must in some way be a development or expansion of what already exists.

There is no doubt that medium density development will alter the general character of an area. However application of well-developed urban design guidelines will be crucial to the retention of the current or desired neighbourhood character in an area. The current development of urban design frameworks identifies key characteristics sought in the various areas. These should be continued.

9.8 **Land-use planning – diverse housing in appropriate locations**

**Key challenge/issue:** to ensure that Council’s strategic land-use planning scheme work to meet Council’s housing objective, in particular, diverse housing forms in appropriate locations

Changes to Council’s strategic land-use planning scheme is one among a number strategies through which Council can achieve its housing objectives. This scheme brings together a broad range of issues as one way of giving effect to Council’s vision for the Shire. Land-use planning links with the range of strategies outlined in Figure 2 – environmental strategy, heritage strategy, economic strategy, different aspects of the economic strategy, physical infrastructure strategy. The key housing issue which the strategic land-use planning scheme needs to address is diverse housing forms in appropriate locations.

The Victorian government’s current approach to planning assumes that virtually all residential zoned areas are equally amenable to medium density housing. Providing medium density development applications meet the assessment criteria relevant to the zone (eg, ‘Rescode’ and Residential 1/2, Zones), there is limited scope to statutorily limit medium density housing in residential zones, to enforce greater densities in appropriate locations or to discourage or prevent it in other areas. However, a strong policy direction can assist in directing such developments and such policies need to identify more clearly the type of housing forms which are appropriate to particular locations. Without a strong policy direction, it is very difficult for Council of oppose medium density developments that meet the assessment criteria.

There are two aspects of development that this policy direction can seek to direct: (i) to incorporate policies on ‘medium density’ which will facilitate a more diverse housing stock throughout the municipality but (ii) in ways which accord with specific criteria – heritage, environmental, local neighbourhood character – which may vary according to location.

The terrain of much of the municipality, many townships, and especially the Dandenong Ranges and foothills, is good reason to restrict densities in many areas. Increased housing densities may put additional strains on infrastructure, especially roads, reticulated services, etc, and may be ecologically unsustainable. The current rationale for constrained growth in some of these areas, however, appears to be vague or unknown. While there may be potential to encourage further housing diversity, Council will need to clarify the basis or criteria on which increased densities will be encouraged or permitted.

In general, it is likely that a focus for redevelopment will be in parts of the ‘metropolitan’ areas, e.g. Mooroolbark where considerable sectors are approaching the end of their life unless there are significant upgrades. The townships present additional issues but each may have a limited capacity to sustain at least some form of medium density development. The limited capacity of each will therefore need to be assessed. For reasons more related to sustainability, medium density development/redevelopment may need to be focused on certain designated ‘townships’ which will become mini urban ‘nodes’. This demarcation of mini-‘activity centres’ may be important for future social and environmental sustainability and to ensure services can be delivered economically.
A further issue is the apparent conflicting approaches to consolidation in the local planning scheme. While Cl 22.0 notes the need for urban consolidation, especially in the townships, it appears to concurrently limit the ability to consolidate by insisting on large sites in subdivisions in many areas, as well as emphasising the retention of a single dwelling per site status. To reinforce this position many of the townships have areas delineated as suitable for medium density housing, which by implication excludes the other adjoining sites in the zone which would normally allow medium density. Although there may be good reason for restricting growth in many areas, the rationale for the demarcation of these medium density areas appears vague or missing, and may be based on outdated information. It may be that with new technology in relation to reticulated services etc., some excluded sites could now be included. These restrictions and designations warrant review with the objective of indicating potential new and additional areas for medium density housing.

In summary, the present approach of Council designating medium density areas could be continued, but a review of the actual areas designated is warranted using a clear and consistent set of criteria which take into account the array of issues. In this way, Council’s policy framework for medium density developments can provide clear directions and guidelines for developers, provide a basis for planners to assess applications, and provide some assurance to residents about the extent and limitations on future development applications.
PART D:

CONTEXT FOR DEVELOPING

A HOUSING STRATEGY AND ACTION PLAN

FOR THE SHIRE OF YARRA RANGES
(10) Context: Commonwealth and Victorian government housing directions

This section shifts attention to the social housing policy context. The effect of this is to highlight the constraints on local government in dealing with some of the most intense housing issues in the municipality.

Historically, the Shire of Yarra Ranges has had low levels of social housing as the Housing Commission Victoria (predecessor of the Office of Housing) undertook extensive residential development in the flatter less problematic and less expensive areas of northern and western Melbourne.

The broad thrust of this section is that the direction of policy and funding is of such a nature that it provides little hope at this point of providing more social housing in the municipality. The most important initiative, the funding of housing associations, is one which suggests Council negotiating with housing associations to see what capacity there is for these associations to operate in the municipality.

10.1 Social housing

Defining social housing

Social housing is forms of rental housing which are financed, owned and managed in ways that ensure this housing meets social objectives and social obligations.

As such it is usually non-profit housing owned and managed by state government, local government and community organisations that operate on a not-for-profit basis. Among its social objectives are adequate and appropriate housing which is well located (in relation to services, public transport and employment), affordable rents, responsible management and security of tenure.

Forms of social housing

Social housing in Australia comprises at least six different sectors:
- Public housing
- Community housing
- Indigenous housing
- Affordable housing
- Aged housing (ILUs)
- Disability housing.

Public housing: Public housing is the most well-known form of social housing and is by far the largest social housing sector. In Victoria, public housing is that housing owned and managed by the Victorian Office of Housing. Public housing commenced in the late 1930s and expanded rapidly through funds provided through the CSHA.

Community housing: Community housing embraces a range of legal and administrative arrangements for providing not-for-profit housing that is owned and/or managed by some form of community organisation whereby the housing is managed by the tenants themselves, by voluntary committees or by professional staff employed by some community based agency. The early form of community housing in Victoria was that of housing cooperatives or small housing associations but
the future appears to be one of larger professionally managed housing associations operating under a specific act of Parliament.

**Indigenous housing:** Indigenous Australians have access to a range of social housing options, including public and community housing. Two specific options are public housing provided by statutory authorities or other bodies operating at arm’s length of the State Housing Authority in each state such as the Aboriginal Housing Board in Victoria and community housing provided by Indigenous Housing Organisations. Dwellings managed by the Aboriginal Housing Board in Victoria are funded through the CSHA, in particular, the Aboriginal Rental Housing Program. Community housing managed by Indigenous Housing Organisations is funded through a variety of sources including ATSIC, tied CSHA funds (Aboriginal Rental Housing Program), untied CSHA funds and supplementary state funds.

**Affordable housing:** Affordable housing is a relatively new sector within Australian social housing. In the 1990s public housing, in particular, but also community housing was progressively targeted at households not only on low incomes but also those requiring additional support. The affordable housing sector is seeking to house those households who are eligible for social housing but have relatively higher incomes. Examples of the new affordable housing organisations are Melbourne Affordable Housing, a company established by the City of Melbourne, and Port Phillip Housing Association, an organisation which manages housing on behalf of a number of other organisations including the City of Port Phillip.

**Aged housing (Independent Living Units):** Between 1954 and 1986 many not-for-profit organisations within the aged care sector (such as the RSL, Lions, Southern Cross Homes, Masonic Homes, Brotherhood of St Laurence and the Country Women’s Association) received subsidies from the Australian government under the *Aged Persons’ Homes Act* to construct independent housing for older persons. During this time over 7,000 ILUs were constructed in Victoria.

**Disability housing:** Over many years, government departments with specific responsibilities for people with disabilities and community organisations have acquired housing specifically for people with disability. These organisations manage a variety of accommodation arrangements, in particular, shared housing which incorporate various levels and types of support services.

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**Social housing in Australia**

The Commonwealth government provides housing assistance to low income households through two major programs:

- The CSHA which provides funds to the states for various purposes, including provision of social housing
- Commonwealth rent assistance which provides support to households in the private rental market.

In addition, at different times, a number of other programs have added significantly to the stock of social housing: the Aged Persons’ Homes Act and various indigenous programs.

Social housing has largely been seen as a joint responsibility between the Commonwealth (capital funding) and the states and territories (planning, provision and management). Policies, legislation and programs at both levels influence the public, private and community sectors’ capacity to provide affordable, accessible and secure housing for people in receipt of low incomes and those who are vulnerable due to circumstances such as physical or intellectual disability. Social housing outcomes are also affected by employment, decentralisation, finance and investment policies, among others. These especially affect access to private owner occupation and thus the demand for social housing.

Three major shifts in Commonwealth and Victorian social housing policy in recent years will significantly affect a local Housing Strategy:
• Real declines in Commonwealth funding of public housing, along with the Victorian shifting resources into a large-scale modernisation and estate renewal program

• A redirection of Commonwealth funding into private rent assistance

• A movement away from direct management of public housing by state housing authorities to the encouragement of various non-profit, non-government housing bodies generally referred to as the community housing sector.

The Office of Housing within the Department of Human Services is responsible for the planning, provision and management of social housing in Victoria. Through the CSHA, the Victorian government provides funds which match Commonwealth funds. But as Commonwealth funds have reduced in real terms, so too has the level of funds provided by Victoria. Over recent years, the Victorian government has compensated for this somewhat by the injection of additional state funds through the Social Housing Innovation Program.

Two further consequences of reduced Commonwealth funds is increased targeting of public housing stock and the reduction in funds allocated towards the acquisition of new stock. There is now a concern about a growing group of mainly young households who are caught between the eligibility requirements of public and community housing and the price constraints of the market, particularly for home ownership, but to some extent for private rental.

The Victorian government’s current social housing policy is focused on three areas:

• The improvement in standards of public housing through the upgrade and redevelopment of current housing stock

• Responding to households in highest needs, particularly through the Victorian Homelessness Strategy which seeks to develop an integrated regional service system providing both a shopfront service of housing information, referral and immediate financial assistance, and a crisis and transitional housing service linked with a broad range of support services

• Expansion of social housing, albeit very slowly, through the establishment of housing associations targeted to people with disabilities, older people and regional areas.

10.2 Victorian housing programs

Below is a summary of the main Victorian government housing programs managed and funded by the Office of Housing.

Public housing has moved towards a focus on people experiencing, or at risk of, recurring homelessness, people with a disability who have significant support needs, and people with special housing needs such as the frail aged. This targeting has reduced access for people on low incomes. Moreover, public housing is undergoing a major physical renewal and little new stock is being acquired.

Neighbourhood renewal projects aim to improve the wellbeing of communities identified as facing high levels of social and economic disadvantage. They incorporate a key role for local government. Strategies will tackle a range of policy areas including housing and the physical environment, income and employment, education and health.

Community housing has experienced some slow growth in recent years. Most recently there has been discussion about housing associations and the transfer of some public housing to management by community organisations. A number of programs operate under this community housing banner as follows:

• The Rooming Housing Program provides long-term unsupported accommodation for singles and couples, managed by community housing organisations. It aims to provide low
cost, secure and appropriately designed accommodation that is suitable and responsive to the needs of a diverse range of clients, including those with disabilities

- Interim Long-Term Housing is managed by community organisations under a funding and service agreement. They are paid a grant to manage the stock, with all maintenance being the responsibility of the Office of Housing

- Through the Common Equity Rental Cooperative Program, Common Equity Housing Ltd has purchased housing, using a combination of state government funding and private finance and headleased these houses to housing cooperatives who manage them and lease them to eligible members

- The Rental Housing Cooperative Program provides long-term housing to low income tenants who managed then collectively manage their stock

- The Group Housing Program is run in conjunction with community organisations to provide accommodation to people with a range of disabilities

- Joint venture initiatives aim to increase the pool of affordable and targeted housing managed by community organisations by attracting community and other funding to supplement government capital grants. Joint ventures began with elderly persons units undertaken with churches, local governments, community organisations and service clubs.

**Victorian Homelessness Strategy:** In response to housing crises faced by households, the Office of Housing has sought to develop an integrated and comprehensive response. A range of programs have been incorporated under this banner, most of which are delivered through the community sector:

- The Supported Accommodation Assistance Program provides the major response to the needs of homeless people, including women and children experiencing family violence

- The Transitional Housing Management Program is coordinated with the above program to provide an integrated approach to resolving the housing and support needs of households in housing crisis. Agencies provides four forms of assistance: information and referral regarding appropriate housing options, transitional housing (supported accommodation for a determined period), immediate financial assistance, and assessment of eligibility for public housing

- Crisis Supported Accommodation provides larger facilities providing with 24 hour on-site support, mainly in inner Melbourne as well some smaller facilities in regional cities and suburban Melbourne.

**Housing Associations** are a recent initiative of the Victorian government. $70 million has been allocated for expenditure on housing association stock over the four years to 2007. This is primarily for capital grants for housing to be owned by the association, who will hold the accompanying responsibility for maintenance and upkeep. This initiative is intended to achieve:

- Stronger relationships between government, non-government and private sectors in planning, funding and delivery of affordable housing

- An improved system of regulation and continuous improvement to the delivery of housing assistance

- Increased private investment and social and financial equity in affordable housing.

After an open tender process, the government has announced six prospective housing associations:

- Community Housing Ltd
- Loddon Mallee Housing Services Ltd
- Melbourne Affordable Housing
• Port Phillip Housing Association
• Supported Housing Limited
• Yarra Community Housing Ltd.19

In November 2004, the government also introduced into Parliament the Housing (Housing Agencies) Bill 2004. Once passed, the Housing (Housing Agencies) Act will regulate the operation of these housing associations. Eventually its coverage will be extended to all other community housing organisations funded by the Victorian Office of Housing. The importance of this initiative is twofold: it is effectively the only program for new construction of social housing and it is channelled through these specific agencies. Local governments which wish to expand their social housing stock will need to open up negotiations with these providers.

10.3 Local government and social housing

While Commonwealth and Victorian governments have determined the level of funding for social housing, Councils have played an important role in supporting, promoting and facilitating social housing in their local area. Some have also provided land to the Victorian Office of Housing and/or to community organisations. They have been one of the most significant joint venture partners in community housing initiatives in Victoria through Project Partnership, the Local Government and Community Housing Program and the Community Housing Program. In the 1970s and 1980s many Councils have also provided land to ‘aged care’ organisations for the provision of independent living units and hostels for older persons. Some Councils such as the City of Melbourne and the City of Port Phillip have been instrumental in establishing and facilitating social housing organisations to enable the development of social housing in their local area and to manage stock owned by Council. Some such as the City of Melbourne, the City of Moreland and the Shire of Castlemaine have established or considered establishing a trust fund to provide capital for social housing projects.

A range of opportunities by which the Victorian government and local government can work in partnership to address the need for social housing has been set out in a report by the Office of Housing.20 Recommendations that relate specifically to local government’s role include supporting community housing organisations, promoting social housing developments, and giving rate concessions to social housing providers.

In its involvement in social housing, Councils have had regard to their broader vision for the municipality and to the linkages and relationship between social housing and other services. For these reasons, they have been concerned to maintain a level of social housing stock in the municipality to ensure that all residents have access to adequate and appropriate housing, that social housing is well located and targeted and that it links with other services. These point to a significant and important ongoing role for Council.

19 See media release (12 October 2004) by the Minister for Housing, Government on Track to Deliver Affordable Housing.
20 Office of Housing (2002) Toward a State and Local Government Affordable Housing Strategy, Department of Human Services, Melbourne
(11) **Context: Yarra Ranges Council**

This Section briefly reviews some of the more pertinent strategic documents of Council, land-use planning within the Shire of Yarra Ranges (including *Melbourne 2030*) and concludes by reviewing the possible role that Council can play in housing.

### 11.1 The Housing Strategy and other local strategies

Since its formation in 1994, the Shire has actively developed a broad vision for the Shire as well as a range of different local strategies. This section reviews Vision 2020 and these local strategies indicating their relevance for the HSAP.

Of particular importance as a basis for strategic action in relation to housing in the Shire is the Shire’s *Vision 2020* statement and the *Housing Policy* statement. The relevance of housing of some local strategies is also discussed. Discussion of other documents such as the recent *Neighbourhood Character Study*, structure plans for the major activity centres and the *Urban Design Frameworks* is left to the next section (Section 11.2).

**Vision 2020**

*Vision 2020* is Council’s vision and long-term plan for the Shire. It provides a strategic framework through which Council seeks a sustainable future for the Shire. It commits Council to developing sustainable long-term strategies. It outlines a community development strategy over the next two decades and envisages Council working in partnership with the community to achieve this vision.

*Vision 2020* is structured around seven key themes:

- Social fabric and quality of life
- Environmental stewardship
- Built environment
- Local economy
- A tourism and cultural icon
- A living and learning community
- A safe and accessible Shire.

The Vision for the Shire is spelt out around these themes along with a set of guiding principles for each and some issues which Council and the community will need to work together to resolve. Of particular significance for the HSAP is theme of ‘the built environment’. The vision statement and guiding principles under this heading looks towards:

- An integrated approach to planning and good urban design
- An increase in the dwellings in the Shire
- Diversification and intensification of residential stock
- A diverse range of affordable housing types
- Good urban design
- The focussing of high and medium density urban development around existing townships and activity centres
- An acceptance of urban-rural ‘hard edge’ (Urban Growth Boundary)
- Residential development that is economically and ecologically sustainable.
(ii) Housing Policy

The Shire of Yarra Ranges adopted a Housing Policy in December 2002. This document outlines the key objective of the policy as follows:

To achieve quality housing outcomes that meet the needs of current and future populations by providing a framework to integrate social and planning issues in relation to housing in a manner that protects and enhances the natural and built environment.

Council’s Housing Policy reflects particular aspects of Vision 2020. The policy summarises its goals into five KRAs as follows:

- To ensure growth of housing in appropriate locations
- To diversify the housing type and tenure to meet housing needs
- To promote quality environmental performance and design through energy and water efficiency and protection of vegetation and habitats
- To ensure housing is accessible for those with specific needs
- To ensure the provision of affordable housing

While the Vision 2020 statement provides an overarching perspective on the Shire, the Housing Policy outlines the goals for the HSAP.

(iii) Economic development strategy

The draft Economic Profile provides a statistical overview of the Shire including a description of the main features of key industries. Based upon workforce levels, the top ten industries were:

<table>
<thead>
<tr>
<th>Industry</th>
<th>Employees</th>
<th>% labour force</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail Trade</td>
<td>6,244</td>
<td>18.9%</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>4,814</td>
<td>14.5%</td>
</tr>
<tr>
<td>Education</td>
<td>3,559</td>
<td>10.7%</td>
</tr>
<tr>
<td>Health and Community Services</td>
<td>2,617</td>
<td>7.9%</td>
</tr>
<tr>
<td>Property and Business Services</td>
<td>2,543</td>
<td>7.7%</td>
</tr>
<tr>
<td>Construction</td>
<td>2,416</td>
<td>7.3%</td>
</tr>
<tr>
<td>Agriculture, Forestry and Fishing</td>
<td>2,255</td>
<td>6.8%</td>
</tr>
<tr>
<td>Wholesale Trade</td>
<td>1,920</td>
<td>5.8%</td>
</tr>
<tr>
<td>Accommodation, Cafes and Restaurants</td>
<td>1,764</td>
<td>5.3%</td>
</tr>
<tr>
<td>Personal and Other Services</td>
<td>1,228</td>
<td>3.7%</td>
</tr>
</tbody>
</table>

Note: this data is based upon the 2001 Census Working Population Profile which provides data on those who work in the Shire both residents and non-residents.

This report also includes a review of the construction industry and its importance to the economy of the Shire.

The draft Economic Development Strategy: Policy Statement and Action Plan, 2005-2009 outlines a series of strategies and action around eight KRAs:

- Business development, attraction and retention
- Infrastructure and natural resources
- Tourism and cultural development
- Skilled, local workforce and local employment
The interrelationship of the Shire’s economic strategy and the proposed HSAP is highlighted through three points:

- The range of industries that make up the housing industry, particularly the housing construction industry, are important aspects of the economy of the Shire
- The major urban parts of Shire underwent development in the 1970s and early 1980s; as a result, many houses within the Shire will require significant investment to upgrade, replace and extend current dwellings
- The reduction in economic activity in Warburton (and some other areas) that has resulted from reduction in timber industry and the closure of the Warburton hospital has had a negative impact on employment, particularly youth employment. The township now largely depends upon on the tourist industry to underpin their economy. The future sustainability of housing in the area beyond the short time will depend upon the capacity of the town to develop a sustainable economy.

(iv) Transport

Two particular documents deal with transport within the Shire: the Public Transport Study and the Pedestrian and Bicycle Plan.

The dominant form of transport in the Shire of Yarra Ranges is the car. The Shire has a very high rate of car ownership – 59% households own two or more vehicles. Residents, particularly in the rural areas, would have difficulty getting to retail and other services as well as accessing employment without car. On the other hand, the Community Wellbeing Profile notes that there are 1,268 households with persons over 65 years who do not own a car (p. 27).

The dominance of the care reflects the limitations of public transport in the Shire with the railway serving only part of the western urban portion of the Shire and a limited bus network linking the major regional centres of the Shire: Lilydale, Chirnside Park, Belgrave, Yarra Glen, Healesville and Warburton.

The Shire is served by a network of major roads which diverge from two major roads from Melbourne: the Maroondah highway in the north through Chirnside Park and Lilydale and Burwood highway in the south through Belgrave. The Warburton highway and the Melba highway stem from Maroondah highway and serve different parts of the Yarra Valley. A series of interconnected secondary roads serve areas of Shire between Lilydale and Belgrave and through the Hills area.

While Lilydale and Chirnside Park are designated activity centres, yet each in its own way is inadequately connected to rail transport: Lilydale station is removed from the town centre, and Chirnside Park is connected via a bus network.

Without good public transport connections, particularly around designated activity centres, justifications for multi-unit developments as proposed in Melbourne 2030 are more difficult to sustain. On the other hand the role of multi-unit housing in strengthening the claim of Lilydale and Chirnside Park as activity centres needs to be explored.
11.2 Land-use planning

The key basis for Council strategic planning action is found in the Planning Scheme, especially the MSS at Cl 21.0, and with more detailed direction in Cl 22.0, Local Policies. In addition, various other parts of the planning scheme affect residential development: Zones, Overlays, the assessment criteria of Cls 54/55/56 which control building and subdivision, and various other clauses including Cl 53 which brings into play aspects of the former Upper Yarra and Dandenong Ranges Regional Strategy Plan.

The general basis of planning policies which affect housing development emphasise ‘the conservation of natural values’ within the Shire by restricting development in various ‘sectors’. While development in the western, or ‘metropolitan area’ is similar to other parts of the metropolitan area, the Dandenong Ranges area, the ‘Foothills’ and the ‘Townships have additional regulations. In particular, in addition to the urban boundaries, some specific areas are designated as suitable for medium density development, and subdivision must meet designated overall minimum sizes.

(i) Metropolitan Planning Strategy, Melbourne 2030

In addition to the Local Planning Scheme, including the incorporated state section, local planning is now also strongly guided by the state metropolitan planning strategy, Melbourne 2030. This is perhaps the key catalyst for Council’s involvement in housing. Housing is one important focus of this policy which is to guide metropolitan Melbourne’s development, and by implication the rest of the state, for the next three decades. Overall, it is estimated that in the time frame metropolitan Melbourne will need to provide for an additional million inhabitants and associated housing in an environment where household size is decreasing as large number of persons living alone.

While Melbourne 2030 has a metropolitan focus, and does not highlight advantages to specific municipalities, it is intended to guide an integrated and coordinated approach to metropolitan development. This will benefit all municipalities and communities. For the most part, Melbourne 2030 has been well-received but it has its critics, especially in relation to some aspects of the drive for urban consolidation and the imposition of urban boundaries.

The key aspects of this document which will affect housing development in the Shire are:

- The emphasis on urban consolidation which is enacted through ‘urban growth boundaries’ which are intended to demarcate the future extent of all ‘urban’ development (which includes the majority of housing development). This issue is of some particular interest to the Shire because of the complex urban boundary demarcation around the ‘urban’ areas, but also around the many ‘townships’ (this issue is discussed further on page 55).

- The setting-up of regional housing groups to consider housing issues across the region. While the aims and outcomes of the Eastern Regional Housing Group (to which the Shire of Yarra Ranges belongs) are yet to be fully clarified, its regional focus underscores the interrelationship of housing issues across municipalities. In brief, housing policy cannot exist in isolation from other, especially adjoining, municipalities. Regional cooperation, including regional based approaches to the Victorian government, is further discussed below in relation to various issues.21

- Projected population and housing targets for the Shire. In brief, the projections indicate a limited ‘natural’ growth. A key question for the Shire is whether to accept this assumption of a status quo or actively seek increased growth. The economic and social consequences of the approach taken (growth/non-growth) are considerable in relation to many local policies, including a housing policy and housing strategy.

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21 A Housing Statement from the Eastern Regional Housing Group is due for release in mid-2005.
• Various economic ‘activity centres’ around which a variety of activities will be more intensely centred – these may include more intensive, medium density residential development. While more intense residential development would logically be most appropriate in such designated centres, it raises some issues for the Shire. The designated activity centres are not always in alignment with current infrastructure and economic activity nodes. Moreover, they do not adequately deal with the communities in the somewhat dispersed townships, raising the question of whether some townships might be locally designated as ‘mini activity centres’ where service delivery and more intense ‘township’ development is encouraged (this issue is discussed on page 53ff.).

While the delineation of urban boundaries is part of the clarification of Melbourne 2030’s strategy of urban consolidation, it has been in existence for some decades (e.g. 1971-74 Metropolitan Planning Scheme). The recent demarcation has merely sharpened the boundaries limiting urban expansion and preserving the natural values and rural aspect of large parts of the Shire. It is also included in the Shire’s Local Planning Scheme as a general principle, especially in the MSS, but also in other sections of the scheme (e.g. Cl 53).

As part of that strategy implementation regional housing groups have been set-up to explore both the issues and potential solutions. While these groups are in their infancy, they have the potential to be an important incubator of ideas and actions. Indeed it is likely that many outcomes of local housing strategies will involve partnerships of various types: with other local governments, with the Victorian government, with the private sector and with community organisations. ‘Partnership’ will be essential to addressing the complex housing issues.

In the past, Commonwealth and state governments have been strongly involved in housing (and other infrastructure) provision. Over the last two decades, the ideological paradigm has shifted in most western governments from state provision towards private/public financing and provision. This shift can be clearly seen in recent Victorian government moves to facilitate the development of non-profit social housing organisations, as well as moves to consider forcing private developers to include affordable housing in their residential developments.

(ii) Municipal Strategic Statement

The MSS is based on two earlier strategic planning documents: the state Regional Statement of Planning Policy 3, and Upper Yarra and Dandenong Ranges Regional Strategy Plan (1966).

Several key emphases of these documents are carried over to the MSS, which was developed around 1995 and approved in July 2000. As the aim was to revise the document every three years, it is due for revision. While the existing documents have some important strategic goals related to housing and housing strategy it does not directly canvass Council’s approach to housing and related issues. Therefore it is opportune to include in any revision more detailed strategic aims related to housing, and especially Council’s role in the delivery of housing-related services. Some of those potential inclusions are noted below. Although Council’s Vision 2020 canvasses some of these ideas. In particular, in the section on the built environment, it emphasises the importance of urban design, respecting of heritage, neighbourhood character, the provision of affordable housing, diversity of dwelling stock to meet future demographic profiles, and the development of energy efficient and environmentally sensitive housing.

Underlying the strategic direction of the MSS is the understanding that, while the Shire has a large population base by metropolitan municipal standards, the Shire is likely to have limited growth in comparison with other metropolitan municipalities. It is also noteworthy that the Shire sits immediately to the north of one of the anticipated fastest growing metropolitan areas: the SE corridor of Berwick-Cranbourne. Because of the significant growth in that corridor (possibly 50% of Melbourne’s additional population settlement in the early part of last century), it is likely to
impose some ‘spill-over’ pressures on Yarra Ranges. These pressures will need to be dealt with as part of any overall increased growth, and the various strategies adopted to deal with it.

Nevertheless, while the Shire is anticipated to have limited overall population growth, it will experience significant changes in the age cohort structure as the relatively large group of ‘young’ (0-14yrs) residents mature and the current middle-aged group ages. The housing needs of this changing cohort structure will require special attention, and present some unique issues especially due to the geographical dispersal of many communities in the 40 or so townships in which resides almost 60% of the population, and the undulating, even rugged landscape and complex road system which has particular importance for a highly car based and car dependent community.

Despite the anticipated relatively low population growth, typically the existing and additional population will consume more housing. It is a well-based fact that Australians are generally consuming more housing; they have larger houses (in m$^2$), often on smaller sites, and have less persons per unit.

The MSS clearly recognises the complexity of the Shire in many respects: its strong rural and metro-style urban mixture of built landscape, the topographical variety of landform and the consequent issues of infrastructure provision such as sewerage, drainage and public transport, the environmental sensitivity of the land which contains key water catchment areas, the fragile native flora and fauna habitats (21.07; Objective 1), and the variety of lifestyles and social groups whose views on issues can significantly vary. But most particularly in relation to housing, the MSS identifies the need to contain residential development to defined areas which have been identified as capable of viably supporting increased density and development (21.05; Objective 1). Overall, it indicates that such areas, especially outside the ‘metropolitan urban area’ (an identified ‘sector’; 21.05), opportunities for additional development are very limited, and in most cases only viable in small, scattered sites.

The 1979 State Planning Policy direction suggests that there should be no net increase in the total provision for residential development in the Dandenong Ranges sector. While zero or minimal increase is most likely amenable to revision and review in the longer run, it is likely to be the basic thrust of future development unless Council takes a policy decision to opt for growth beyond that projected, and takes specific action to enable such growth. Any strategic review would need to focus on the principles on which containment is to be handled. By definition, a focus on consolidation affects urban areas, although, by default, these actions will affect the large non-urban areas in the Shire by reducing (but not eliminating) the pressure for more intense rural development. The issue of consolidation, its positive and negative aspects, and the ways of achieving it are complex. Various comments on different aspects are included throughout this issues paper. In brief, the key to successful consolidation and its acceptance will be located in the designation of specific development areas, and the careful handling of design and infrastructure issues.

Since the last review of the MSS, state planning policy, especially by way of the urban boundaries imposed through the metropolitan strategy, Melbourne 2030, has effectively consolidated the built or urban areas and strengthened the Shire’s containment policy.

These base planning documents, and their recommended approach appears to be strongly supported by the various local communities who emphasise the importance of protecting the environment, although this protection may appear at times to clash with other interests, especially the demand for additional urban land. While the designation of additional urban land is possible, other approaches to directing development will be necessary. In particular a broader acceptance of denser development will be necessary. In the mind of many residents, this is antithetical to the ambience in which they chose to live, and which they feel may be destroyed by such development. While this reaction has some basis, the key to dealing with it is to emphasise and demand high quality urban and residential design (Cl 21.05; Objective 2). The question of criteria on which to base locational and design issues is discussed on page 54f.
However, it is also of note that the MSS has the potential to engender confusion in relation to denser development. *Objective 3* of Clause 21.5 notes the importance of protecting the ‘distinctive characteristics and environmental features of the residential areas throughout the Shire’, and has as a consequent strategy a goal of retaining a predominance of single dwelling form, particularly in the Dandenong Ranges, the foothills and the rural areas. While this may be the outcome because of the historical housing form and local interests, and it may be necessary in many areas to restrain multi-unit development for a variety of ecological and neighbourhood character reasons, this policy may need to be reviewed, or at least interpreted flexibly if the Shire is to retain its policy of containment.

**Good urban design**

The MSS also promotes good urban design (*Cl 21.05; Objective 4*) and encourages urban design themes for the various townships, as well as major roads (*Cl 21.05; Objective 6*). Such urban themes can be developed in conjunction with the development or review of township structure plans, and zoning review along with the identification of appropriate denser residential development sites. While a theme is a good basis for design, residential urban design guidelines will need to be general and flexible to prevent any stymieing of innovative design, as well as guard against poor or inappropriate design. Often such assessments of applications by planners are fraught with questions of taste, ethnic culture and community expectations.

**Indigenous population**

Yarra Ranges is also somewhat unique in Victoria in that it has a significant indigenous population who not only reside in the area, but also have established educational and cultural bases, and have cultural and other claims over the land. In particular, a native Title claim by the Wurungjeri group is in train. While this is unlikely to have any effect on current residentially zoned lands, other cultural sensitivities may need to be addressed in aspects of urban development and delivery of housing-related services.

**Industrial development**

The MSS also notes the significant presence of industrial development in the Shire. While this is not directly related to housing, the housing strategy needs to consider the relationship to industry by way of location, environmental effects, aesthetics, and access to employment opportunities and job creation. Of particular significance in Yarra Ranges is the large number of home-based industries, often small-scale and ‘cottage’ style. While these industries are important, and for the most part do not make significantly increased demands on services and infrastructure when located in the home, the gradual expansion of any of these ‘industrial’ sites can create both a nuisance to neighbours, as well as put unviable demands on some infrastructure services, create waste disposal problems, parking pressures etc. Conversely, home based workplaces have several positive aspects, such as less travel and a reduction in child care pressures.

Council may need to review its policy approach to existing, but growing home based industries. Such a policy will need to be flexible to avoid undue restriction, but avoid consequent problems. The MSS notes a Council policy of applying an Industrial 3 zoning to some areas in the townships to provide opportunities for small-scale industrial works and service industries, as well as some intensive farming/agricultural pursuits. The aim of this is to facilitate industry in appropriate locations, as well as provide local employment.

**Agriculture**

The MSS and Council recognises that intensive agricultural production such as food production, flowers and wineries is a key economic driver of the Shire (*Cl 21.04; Objective 2*). Such activities can also bring about the need for temporary accommodation at harvest time etc. Often this temporary accommodation is provided in shacks and caravans, and in addition to being often sub-standard, puts increased pressure on some reticulated services such as sewerage and water supply. The MSS does not appear to raise these housing-related issues. Some estimation of the magnitude
of the issues is warranted, and if significant, Council could develop housing-related policies to address it. Caravan parks often form part of the housing response for seasonal workers.

Inappropriate subdivisions
The MSS also recognises that some inappropriate subdivisions have occurred in the past, and that efforts should be made to correct these anomalies where possible. These subdivisions, or allotments, will need to be identified, and a policy approach to assessing any development proposals will need to be developed and clarified to affected landowners. In general, such sites will be restricted to single unit per lot development which in some cases may only be permitted if an adjoining site is amalgamated, and Council is satisfied with all structural engineering, sewerage and waste water disposal, access to reticulated services and access for Council delivery of services is satisfied.

Urban Growth Boundary
The urban boundary, as it has been drawn, has left many suburban-sized or larger sites in the designated Green Wedge Zone area. While there was initially some confusion as to whether these could be built on, it would appear that they retain their development rights for a single dwelling. However, as they are now in what is seen as a conservation zone, it is especially important how they are developed. The issues of urban design and service provision will be especially important. One option is that Council could prepare guidelines and policies for these sites which take into account their unique character while not unduly restricting the current owner’s development rights.

Pattern of zoning
Overall, the pattern of zoning in Yarra Ranges shows the influence of historical development. Rather than a clear pattern of land uses appropriate to the sites, more often the zoning appears to be based on the activity which has historically taken place on the site. Thus industrial, residential and agricultural pursuits are permitted and occur in a complex, contiguous array. This is particularly so in the townships along the Yarra Valley. While this is often less than desirable, there is little that can be done in the short term to remove the inappropriate zonings. However, over time many of the less compatible industrial activities have moved to other sites, and the activities remaining are often relatively inoffensive and incompatible with residential amenity. Moreover, as industries depart for more appropriate sites, an opportunity is often presented to convert the land use to a residential or a more appropriate use. One option is that Council identify these potential sites and perhaps take a proactive step by flagging a rezoning should the site become available.

Tourist industry
The MSS also recognises the important tourist industry in the Shire. It has a policy (Cl 21.04; Objective 6) of retaining links with the Local Tourist Boards. While the majority of this economic process relates to issues not directly related to housing, it does have some relevance in that the Shire has some attraction as a location of holiday houses and tourist accommodation in Bed and Breakfasts, and similar establishments.

Holiday houses or week-enders can represent a significant housing issue. Of particular importance is the fact that they generally present highly underutilised housing, but also are often sites of relative neglect in terms of garden/bushland maintenance, and in some cases, illegal development. Some municipalities with similar holiday home issues have considered a differential rating or charge system which would encourage more intensive use. However, any move to control occupancy is fraught with issues of definition of high/low level usage and enforcement. Alternative use of such houses (such as long-term renting of holiday houses) or the use of tourist facilities such as bed and breakfast accommodation for seasonal workers would in the first case restrict owners’ use, and on the other would most likely be socially unacceptable and economically unviable.

Educational institutions
Yarra Ranges is also the site of several educational institutions, some of which have housing-related issues, and the MSS recognises this (Cl 21.04; Objective 9). While most secondary level
establishments (high schools, colleges etc.) are day schools catering to local (town/Shire-based students), Swinburne University’s tertiary and TAFE campus at Lilydale has an increasing number of non-local and overseas students; indeed, its future is dependent on the degree to which these numbers can be increased.

The campus has a small on-campus hostel, but most students seek accommodation in nearby houses and units. In addition, many staff of all institutions will elect to live locally and put demands on housing, especially rental housing. While the university has no formal responsibility for student housing issues, it is in Council’s interests to work in close collaboration with the university to address these issues. Not only does it involve the physical development of appropriate housing, but also education is an important economic driver with considerable ‘multiplier effects’. These housing-related issues will involve questions of location, housing style/form and, in some cases, housing-related services.22

Rural Living Zones
The MSS notes the intention to apply, inter alia, Rural Living Zones to areas of non-urban use between townships. Indeed many areas are so zoned, including some sections of township urban areas. The issue of rural living is a thorny one, especially in a Shire with the aesthetic qualities of Yarra Ranges. There is little doubt of the demand for large house sites which sit somewhere between an urban site and a farming unit. Often such sites have a house and various outbuildings, some of which are used for small-scale agricultural pursuits, some as a ‘hobby’, thus the term ‘hobby farm’, and some for the retention of animals as pets. Such sites are a legitimate form of subdivision, but do raise several housing issues with which Council must deal. A key issue is the demand by such landowners for a full complement of Council services and infrastructure which in many cases is disproportionately expensive to supply, and often on lowly rated sites. But of equal significance is the evidence that such sites are often the most neglected land in terms of fire safety, weed growth and other detrimental effects. The MSS does recognise the importance of appropriate design on such sites (Cl 21.05; Objective 2). While the existing sites in most cases must remain, and, within the bounds of appropriate regulation and design, development permitted, any increase in such zoned areas should be very carefully assessed and only permitted where the advantages outweigh the disadvantages. In particular, the creation of such sites is antithetical to the policy of containment.

Heritage
The MSS also raises the issue of Heritage and Heritage management (Cl 21.08-1/Objective 3). It notes the development of a Heritage Study. This study at the time of the last revision was still in process. In addition to this study, data on heritage from earlier documents23 and the former planning schemes assisted in identifying sites. While many of these sites are unlikely to be affected by housing development, some are. In particular, identified buildings may come under further development pressure. While heritage controls, especially heritage overlays are not intended to prevent all development, they do set out to ensure all development on such sites is carefully considered for its impact on the heritage qualities of the site. In general, such assessments are best left to recognised experts such as heritage advisors.

Delivery of appropriate services
The MSS also notes the importance of enhancing community wellbeing through the delivery of appropriate services. This issue has grown, and may continue to grow in importance, as the Shire ‘ages’. While the basic issue of service delivery is not directly a housing issue, it is related, as many services are, and probably many more in future will be, delivered directly to residences. This service delivery issue will apply to both public and privately supplied services. As the population

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22 The issue of student housing and the impact of educational institutions on the housing market is further discussed on page 49f.
23 Conservation of sites and structures of historical and archaeological significance in the Upper Yarra Valley and Dandenong Ranges, 1978; Technical report N 17; Conservation of sites and structures of historical and archaeological significance, 1988
ages, Council in particular may find itself having to expand delivery of home-based services. The aim will be to deliver high quality services, and make them as accessible as possible while at the same time being economically efficient.

One important way in which efficiency and economically viable delivery can be effected is to emphasise the containment of future residential development. This may result in more multi-unit developments such as residential villages and the need to direct such developments to areas where there are the most services. Thus efficient and viable service delivery is strongly tied to containment/urban consolidation, and to the designation of service delivery nodes or ‘mini activity centres’ noted elsewhere in this report.

**Infrastructure**

The MSS also notes the importance of high quality infrastructure provision (Cl 21.09). Yarra Ranges does present some particular problems in relation to many, especially reticulated, services such as sewerage. But other services such as transport, especially public transport present particular issues, especially in view of the complex and often circuitous roads.

The provision of such infrastructure in a timely, efficient and economical way is also largely dependent on containment of development to ensure all services are fully utilised. However, in view of the particular issues in the Shire, the MSS also notes that it should encourage innovation in dealing with the issues. Thus, alternative arrangements for sewerage, waste disposal etc. are welcomed (Cl 21.09; Objective 1)

* * *

The MSS as set out at present does address the key issues in relation to a housing strategy. However, it does not have a distinct section which brings together the particular housing interests. One option is that this be included in any future review in order to highlight the importance of housing as a Council interest.

**(iii) Neighbourhood Character Study**

In 2001, the Shire of Yarra Ranges undertook a comprehensive Neighbourhood Character Study. A key purpose of the study was to provide a clear understanding of the key characteristics and distinguishing features of each of the Shire’s residential neighbourhoods. Because the study was commissioned to provide planning scheme policies and controls, it focused specifically on the physical planning outcomes that could be influenced through the planning scheme. Thus, it defined ‘neighbourhood character’ as ‘the qualitative interplay of built form, vegetation and topographic characteristics, in both the private and public domains, that make one place different from another.’

Through surveys of local neighbourhoods and extensive consultations, the Study developed a series of statements about different neighbourhoods and their character. These statements incorporated a description about each neighbourhood precinct, the key existing characteristics, a preferred character statement and a set of guidelines.

The Neighbourhood Character Study provides a valuable review of each neighbourhood and those aspects of the landscape – built form, vegetation and topographic characteristics – valued by residents. As emphasised in various parts of this report, these design and character considerations, and their application in housing development, are likely to be a key to the success of consolidation strategies.

**(iv) Urban design frameworks**

The Shire of Yarra Ranges puts considerable store on urban design issues within the Shire. This interest in urban design has a long history in parts of the Shire, largely related to the desire to protect the ‘natural’ aspect of the environment by way of vegetation protection, especially in the
Dandenong Ranges area. However, since the formation of the Shire of Yarra Ranges following the amalgamation of the then Shires of Healesville, Lillydale, Sherbrooke and Upper Yarra and the consequent joining of different ‘cultures’ of urban design and environmental understanding, the issue has been a more vexed one in the Shire, with a division of thought on the appropriate degree of design control. While the vast rural areas to the east of the Shire have, in general, been less vulnerable (due to low level development and low population growth) they are also important. Indeed, as pressures to develop spread out from Melbourne, especially outside the Urban Growth Zone, these previously ‘safe’ areas may be under greater development pressure.

While the past approach to urban design has emphasised the ‘natural’ rather than built environment, in the 21st century the increased interest in urban design has widened to include architecture, appropriate architectural styles and streetscapes. Indeed, to successfully compete in a global economy, all cities need to be aware of urban design issues. For this reason, not only have activity centres at all levels within the metropolitan area undergone urban designing, but also the architecture of individual buildings and complexes has come under much greater community scrutiny.

As part of addressing the broader issue of urban design in the Shire, a Neighbourhood Character Study in conjunction with a Heritage Study has set the basis for a more comprehensive approach to urban design. An urban design planning officer has been employed, and the department has been significantly increased in size to reflect its community importance. Clearly, the controls and guidelines developed by the Urban Design Unit will have a significant impact on the success of containment and consolidation, but also the protection of the non-urban/rural areas.

11.3 The role of local government and a housing strategy

A local government housing strategy is likely to mean different things to different people. For some, the key issue is private housing provision, in particular easing the path to owner occupation by a flexible interpretation of planning, design rules and finance. For some, urban design and environmental issues are the key issues. For some, it raises the issue of housing provision for special groups, especially the needy and vulnerable. While for others, it relates to the provision of housing-related infrastructure and services: roads, street maintenance, open space provision etc. A housing strategy must therefore, in some way, deal with all of these issues and more.

As various groups understand a housing strategy differently, all will need to understand the breadth of the issues, and their interrelatedness. For while a local government may focus on the good design of housing this will need to be applied to all sectors of the housing industry. In this breadth lies the key to a successful strategy and implementation, but also the potential for conflict as one group sees and pushes their interests to the detriment of others. Thus, a sustainable housing strategy must take into account the needs of the community, the particular interest groups as well as the social and economic development of the municipality as a whole.

While the traditional understanding of basic Council interests has been ‘roads, rates and rubbish’, the role and work of local governments has dramatically broadened in the past two decades. Local government now plays a particularly important role in social, economic and land-use planning and in the delivery of key community services.

The Local Government Act 1989 (Section 3) provides a legal framework for Council involvement and responsibilities. Council has a statutory responsibility in housing-related matters such as land use and physical infrastructure planning and development, building controls, public health, traffic management and open space planning. In this way, local government can and does influence the location and type of new dwellings, and the provision of social and physical infrastructure for new and existing communities, as well as the cost of housing through its planning policies.

However, local government must juggle a number of sometimes competing interests and relationships that impact on housing. It is the tier that is closest to the people. But the people rarely
Local government will understandably focus on its democratic base of existing residents, yet these are often unsympathetic to innovative forms of housing which might be appropriate and attractive to those who live elsewhere. Disputes can erupt over planning changes designed to increase densities to the benefit of new residents and developers, but potentially at the cost of existing residents who don’t want their lifestyles to change. Local government has a responsibility to promote environmentally sustainable development, yet this might be in opposition to policies which promote affordable housing. Local government has strong connections to local groups, especially those that are well organised and articulate, yet those who often need help the most don’t fit into this category. Local government is keen to promote economic development, yet while this might involve more housing, such housing may not be appropriate for existing communities.

These tensions have not prevented local government from taking on the role of leader in a range of community building and sustainability initiatives. Locally, current metropolitan planning initiatives are providing impetus for more proactive local government involvement in achieving housing policy objectives such as affordability, appropriateness and choice.24

The range of housing activities that local government can adopt has been set out in Table 19. Drawing on a review of Victoria, Queensland and New South Wales, Gurran argues that the housing roles that local government can adopt fall into five activity areas:25

- Influencing the types and location of housing through the planning system, for example, developing planning policies that encourage diversity in stock size, affordability, and water and energy efficient design
- Taking on a role as advocate and educator of desired housing outcomes, for example, educating developers about environmentally sustainable design
- Facilitating social housing, for example, identifying sites, fast-tracking planning assessment and donating land
- Engaging in community development, for example, coordinating infrastructure and service development alongside new housing developments, coordinating services for low income people in vulnerable private housing such as caravan parks and rooming houses, and providing rate relief to sustain the financial viability of low cost accommodation
- Entering into partnerships or joint ventures for affordable housing, for example, contributing to an urban renewal process with social housing providers and establishing not-for-profit housing companies.

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Table 19: Local government housing activity

<table>
<thead>
<tr>
<th>Production</th>
<th>Consumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Identifying land</td>
<td>Identifying and monitoring housing needs</td>
</tr>
<tr>
<td>Development controls</td>
<td>Active collaboration with other housing providers (private, public, community sector)</td>
</tr>
<tr>
<td>Environmental/social assessment</td>
<td>Support services, e.g. services for the aged, homeless or crisis resource centres</td>
</tr>
<tr>
<td>Facilitating land parcels and residential subdivision</td>
<td>Information / advocacy</td>
</tr>
<tr>
<td>‘Streamlined’ approvals</td>
<td>Financial assistance, e.g. rate relief</td>
</tr>
<tr>
<td>Active collaboration with other housing providers (private, public, community sector)</td>
<td>Managing local housing stock</td>
</tr>
<tr>
<td>Planning mechanisms for affordable housing</td>
<td></td>
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<tr>
<td>Joint ventures</td>
<td></td>
</tr>
<tr>
<td>Donation of land</td>
<td></td>
</tr>
<tr>
<td>Production of housing units</td>
<td></td>
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</tbody>
</table>

Source: Gurran (2003)

These powers and activities outline the parameters for a HSAP for Yarra Ranges. It is around these activities that particular strategies and actions can reasonably be developed.
PART E:

FRAMEWORK FOR

A HOUSING STRATEGY AND ACTION PLAN

FOR THE SHIRE OF YARRA RANGES
Towards a Housing Strategy and Action Plan

The key objective of Council’s Housing Policy is:

To achieve quality housing outcomes that meet the needs of current and future populations by providing a framework to integrate social and planning issues in relation to housing in a manner that protects and enhances the natural and built environment.

The Housing Policy identified five KRAs as follows:

- To ensure growth of housing in appropriate locations
- To diversify the housing type and tenure to meet housing needs
- To promote quality environmental performance and design through energy and water efficiency and protection of vegetation and habitats
- To ensure housing is accessible for those with specific needs
- To ensure the provision of affordable housing.

Council seeks to achieve results in these KRAs through a Housing Strategy and Action Plan. This final section of the Housing Strategy Issues Paper indicates some strategies which may be included in Council’s Housing Strategy and Action Plan. The Issues Paper has:

- In Part B, outlined what is happening in the Shire of Yarra Ranges in relation to the housing market, planning arrangements, stakeholders perspectives and a range of other data which impact on the future of housing
- In Part C, arising from the analysis in Part B, outlined eight key issues/challenges facing the Shire of Yarra Ranges
- In Part D, sought to provide some context for the development and implementation of a Yarra Ranges Housing Strategy and Action Plan. In particular, the Issues Paper highlighted the limited powers that Council has to address, in any comprehensive way, the key issues/challenges identified in Part C. Any comprehensive strategic strategy relies upon other levels of government (Victorian and Commonwealth), industry, local organisations and residents. It also highlighted the relationship between a Housing Strategy and strategies in other areas.

The following outlines four key areas for strategic consideration. The detailed directions and actions still require further investigation and discussion.

12.1 Accommodating growth in households/population

A key issue confronting the Shire is whether to encourage and facilitate population growth. As discussed previously in Section 9.3, such a decision is not made on housing grounds, but on social and economic grounds. However, the provision of housing will be critical to the implementation of any decision regarding population growth in the Shire. The Shire can work towards one of three broad scenarios:

Scenario 1: do nothing and allow the population of the Shire to slowly reduce over time as household sizes decrease and the population ages.

Scenario 2: work to maintain the current level of population.

Scenario 3: actively facilitate population growth in the Shire.

The housing implications of each of these three scenarios varies. Under Scenario 1, the nature of housing in the Shire will change little and the focus will be on the renovation, upgrade and
redevelopment of current dwellings as they age. Under Scenario 2, the Shire will need to construct new dwellings as average household sizes decrease but this will be at a minimal rate. Under Scenario 3, the Shire will need to construct new dwellings to cater not only for the decrease in average household sizes but for new residents. The extent of new construction will depend upon the growth in population.

A Housing Strategy based on Scenario 3 provides the greatest challenge. It is on this basis that the following framework for developing a Housing Strategy and Action Plan is proposed along with some directions for further exploration. This framework and possible directions do not advocate or propose population growth, rather they indicate the ways in which the Shire, if it proposes to grow, can implement this population growth policy.

This Section sets out a **strategic overview** and does not specify what needs to be done. Five steps are proposed as the basis for expanded residential development in the Shire as follows:

- Identification of growth nodes
- Identification of land for residential development within the growth nodes
- Development of structure plans/framework for each growth node
- Review of urban growth boundaries
- Determination of the location of Activity Centres.

**Identifying growth nodes**

Discussions with Council staff indicate that Council has a piecemeal approach to residential development rather than a strategic approach. Instead of responding to particular issues or particular areas of concern, Council needs to look at the Shire as a whole and identify areas or nodes within which it wants to concentrate household growth. In other word, Council needs to adopt a strategic approach. Further, these growth nodes are not necessarily those areas currently growing but rather those areas which meet or could meet specified criteria. As a first step, Council needs to develop a list of attributes which would characterise these growth nodes such as land or redevelopment opportunities and the environmental, social, transport and infrastructure factors necessary for continued growth of the node. On this basis, Council can then proceed to identify particular areas as growth nodes suitable for concentrations of multi-unit housing.

**Identifying land**

Having identified growth nodes, Council needs to investigate the extent of land availability within the node. Council would also need to develop a methodology and the criteria for identifying such land. A checklist for identifying possible land would include vacant land, land that could be rezoned and land on which current housing is ageing with prospects for redevelopment opportunities.

**Structure plans/framework**

A third step is to develop planning controls for each growth node. These would vary from node to node depending upon the nature of the growth node and various environmental, historical, landscape, infrastructure, social and economic factors.

It is envisaged that these planning controls would be incorporated in the planning scheme as local policies.

**Urban Growth Boundaries**

The location of the Urban Growth Boundaries impact particularly on the Shire of Yarra Ranges. While no major changes for the Urban Growth Boundaries are envisaged, the rationale for the
boundary is not always clear and some changes may be warranted. The structure plan/framework outlined above can provide a context for re-setting boundaries based on clearly articulated and demonstrated criteria. These would provide a basis for long-term changes based on sound principles.

To prevent windfall gains to owners of land currently outside the Urban Growth Boundary, Council should investigate (and advocate for) ‘urban increment taxes’ with the proceeds to be used for the development of infrastructure and affordable housing.

**Determining Activity Centres**

The Shire currently has two designated Activity Centres: Chirnside Park and Lilydale. However, both of these have significant limitations and are arguably less than optimal locations. Chirnside Park is primarily a large retail centre, unconnected with the local residential area and lacking good public transport access. Unless a rail link is established, it is unlikely to function fully as an Activity Centre around which significant multi-unit residential developments can be established. Lilydale is located on the edge of the metropolitan area and largely functions as a regional centre oriented towards the rural part of the Shire. More importantly, the current location of the railway station and the dispersed nature of the town centre (away from the station) present some difficulties in relation to consolidation and environmental considerations.

In addition, Belgrave, another node in the south of the Shire but not a designated Activity Centre, tends to be functionally related to rural areas in both the Shire of Yarra Ranges and the adjoining Shire of Cardinia. Its future, therefore, requires some cooperative arrangements with Cardinia Council.

However, an area which could develop into an Activity Centre is Mooroolbark as it is central to the majority of the population within the Shire rather than on the edge of this population. It is also located on a railway line and is strongly related to an existing urban area which has potential for more intensive residential redevelopment.

### 12.2 Housing diversity development framework

Currently the Shire exhibits a somewhat homogenous form in its housing – generally, low density, three-bedroom detached housing. Facilitating housing diversity is the key to encouraging a diverse range of households to reside in the Shire.

As noted in Section 9.4, low density detached housing is a form of development which places most stress on the local environment by virtue of its land intensiveness and its limited capacity to meet changing housing demands over time. At the same time, it is recognised that the Shire has many areas which are environmentally sensitive, which are historically and culturally important and where neighbourhood character is important to local residents. Housing diversity can take many forms many of which not only meet environmental, historical and neighbourhood character criteria but indeed, when properly implemented, can enhance these attributes. Among the diverse housing options listed in Section 9.4, the most appropriate ones are:

- Detached houses of different sizes and storeys and on different size sites
- Semi-detached houses of different sizes and storeys and on different size sites
- Adding a second dwelling to a site.

In particular areas such as the growth nodes, the following may be appropriate:

- Small-scale multi-unit development (2-6 units) with single storey units on a single site
- Small or large detached or semi-detached townhouse units on a large site, e.g. a retirement village
- Medium-scale multi-unit developments (6-20 units) with two storeys on a single site
- Boarding houses, mobile home parks, hostels, private hotels, supported residential services, communes and other forms of non-conventional housing.

At the same time, the difficulties in implementing a policy of housing diversity should be acknowledged. Under current planning arrangements, Council has some limitations on its powers to reject and control multi-unit developments. However, it can incorporate specific policies within the planning scheme and these provide clear guidelines for developers as well as strengthen its case for refusal of non-conforming applications. It is important that developers propose good quality developments that meet the design and environmental criteria and that residents can be assured that developments accord with specified standards and enhance the social and physical environment. For this reason, the Shire should develop and adopt a housing diversity development framework which incorporates:

- Local policies and guidelines, developed in consultation with residents and developers, which provide for general and area-specific multi-unit housing and which act as controls over residential development
- Criteria for determining guidelines for identified development locations. These criteria would cover:
  - The physical environment
  - The economic and social environment

- Design guidelines to ensure that multi-unit housing is of good quality and standard
- Density bonuses and/or accelerated approval process for applications which meet design guidelines
- General and area-specific policies and design guidelines which can be incorporated into the planning scheme
- Encouragement of demonstration projects of multi-unit housing developed in partnership with a private sector
- Ongoing education programs for developers relating to standards, criteria, areas and processes for multi-unit housing developments
- Similar education programs for local residents about policies and rationale for multi-unit housing as well as the standards, criteria, areas and processes that Council has put in place to protect the environment, the historical significance and neighbourhood character of different areas in the Shire.

### 12.3 Addressing affordability

The Shire faces a number of interrelated issues around the affordability of its housing. Over the past five years, house prices have grown significantly but at variable rates throughout most areas of the Shire. This has the potential to create problems for the Shire as a whole and for particular segments of the community:

- Differential housing prices between ‘hills towns and villages’ and ‘valley towns and villages’ could possibly lead to market segregation between these areas

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26 For example, local policies and guidelines could specify that the maximum height of a building in relation to the local neighbourhood character – buildings are to be no higher than trees – or as a blanket policy in relation to a building’s capacity to relate to the street or to the community – in some European countries, it is stipulated that buildings cannot be higher than five storeys because the occupants above this level cannot relate to the street and the community.
• High house prices relative to other fringe areas of Melbourne may deter first home buyers (many of them families) from purchasing in the Shire
• High house prices will make it difficult for young people who have links with the area to remain in the Shire.

Council has some limited scope within current planning provisions to address the issue of housing affordability. In the long term, however, changes are required to planning legislation to ensure that housing affordability is a consideration under local planning schemes. Council has an important advocacy role in changing planning legislation.

Council can address housing affordability through two broad strategies: first, increase the supply of housing generally, and second, increase the supply of affordable housing.

Strategies which can increase the supply of housing generally include:

• Development of price points for affordable housing based upon the decile income points for the Shire (see page 37), such that development applications provide housing at a range of prices to cater for the different income groups across the deciles. These price points can become the basis for inclusionary zoning (when introduced by the Victorian government)
• Introduction of a premium on rates for vacant residential allotments. This will impose a penalty on those withholding land from the market resulting in pressure to release further land or to increase land prices due to the scarcity of vacant land
• Inclusion of additional and compensatory resources in areas of social exclusion
• Education for developers and community in ways to reduce house-building costs.

Strategies which can increase the supply of affordable housing for specific groups include:

• Establish an inventory of the current use of government land (Commonwealth, Victoria and Yarra Ranges) and an assessment of their appropriateness as affordable housing. Yarra Ranges could play a role as a facilitator of public/private partnerships whereby governments provide land at cost for residential developments
• Facilitation and support of the increased provision of social housing in the Shire by:
  o Provision of rate exemptions or waivers to social housing providers
  o Establishment of negotiated arrangements with nominated housing associations, e.g. Community Housing Ltd or Supported Housing Ltd, to undertake projects within the Shire for specified housing groups
• Facilitation of the development of single person units or rooming houses.

12.4 Specific issues/groups

The Shire confronts specific issues in relation to housing for older persons and caravan parks. These two issues require particular attention.

Housing for older persons

Section 5.4(i) discussed the issue of housing for older persons. Older people face a range of situations and Council already plays a role in supporting ageing owner occupiers through the home maintenance program.

A range of housing options have been specifically developed for older persons. However, the most problematic for Council are those residential developments that are specifically targeted at older persons. These are problematic because they have implications for both older persons themselves as
they age and for Council which is asked to provide services. Council therefore needs to prepare guidelines and criteria for age-specific housing developments.

**Caravan Parks**

For some people, caravan parks are their chosen housing option. For others, they are a short-term option in an emergency or crisis. Council needs to formulate design and planning requirements for caravan parks that take into account that they cater for permanent as well as short-term residents. For example, Council should exercise greater planning control over the layout and amount of space per unit. Further planning controls could be implemented as caravan parks make any move to become sites for cabins or demountable units.

12.5 **Housing and other related strategic areas**

A Housing Strategy must complement and be complemented by a range of other local strategies. In the course of developing this Housing Strategy Issues Paper, it became clear that some of these local strategies still require further work if a Housing Strategy is to succeed. Four areas of particular note are:

- Public transport strategy
- Environment strategy
- Utilities – water and sewerage
- Community services – aged services.

Significant residential developments along the Yarra Valley are only supported by weak transport links. As noted above, Chirnside Park (despite its status as a Designated Activity Centre under *Melbourne 2030*) is only supported by a network of buses. The current transport links in these areas are weak and inadequate, and any further residential development should only be considered on the basis of an extension of the Melbourne public transport network, especially fixed rail, to these areas.

At this time, despite a strong focus on the environment, the Shire does not have an environment strategy. As noted previously in Section 9.6, it is important that any such strategy specifically address the ways in which residential development impacts on the local environment. These should be specified in some detail and be complemented by performance criteria for residential development and by possible strategies to mitigate the impact of residential development on sensitive environmental areas.

Among the strategies for mitigating the impact of residential development on the environment is the further extension of the sewerage network. A strategy needs to be developed to ensure that the sewerage system can support population in the growth areas of Shire.

Already there is a significant population of people over 65. Over the next 20 to 30 years, this will grow dramatically, particularly in the 75-plus age group. It is within this latter group that demand for services to support people within their homes is high. In rural areas, in particular, the Shire needs to develop strategies to ensure that these services are well used. One way in which this could happen is through Council taking an active role in facilitating/developing aged housing within local townships in order to attract those currently living on rural and isolated allotments.
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Appendix 1: Data assumptions and explanations

Assumptions for population, household and age group projections

Figure 3, Figure 5, Figure 6 and Figure 8 and Table A2-1 in Appendix 2 as well as Table A3-3, Table A3-4, Table A3-6 and Table A3-7 in Appendix 3 are based on *Victoria in Future (VIF) 2004 Population Projections* produced by the Victorian Department of Sustainability and Environment (DSE).

Table A1-1: Assumptions for population, household and age group projections in *Victoria in Future (VIF)*

<table>
<thead>
<tr>
<th>Factor</th>
<th>Assumption</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fertility</td>
<td>ABS 2003 Medium Assumption – total fertility rate for Australia falls from 1.75 (in 1999-2001) to 1.6 by 2011 and a constant of 1.53 to 1.51 in Victoria. Regional differentials in fertility have been taken into consideration in preparing the projections.*</td>
</tr>
<tr>
<td>Mortality</td>
<td>ABS 2003 Medium Assumption*</td>
</tr>
<tr>
<td>Overseas Migration</td>
<td>110,000 net to Australia</td>
</tr>
<tr>
<td>Interstate Migration</td>
<td>Zero net migration to or from Victoria</td>
</tr>
<tr>
<td>Intrastate Migration</td>
<td>Age/sex migration rates by SLA based on departure rates for the Census periods 1996 to 2001 via a customised request to the ABS</td>
</tr>
<tr>
<td>Household rates</td>
<td>Estimated by DSE based on the ABS estimates of the population in each SLA by age and sex on 30 June 2001 and household propensity rates obtained from a special request to ABS for data from the 2001 Census.</td>
</tr>
</tbody>
</table>


Notes: * See ABS 2003 *Population Projections Australia, 2002-2101* (ABS Catalogue No 3222.0)

SEIFA indexes

Socio-Economic Indexes For Areas (SEIFA) is a method of measuring different socio-economic conditions based on a geographic area. In this instance it is based on the Census of Population and Housing, 2001 in which approximately 50 questions of social and economic importance were asked. The SEIFA index allows for different variables in the census to be grouped together, rather than independent indicators.

SEIFA consists of four indexes with each index summarising a different aspect of socio-economic wellbeing in an area, as follows:

- **Index of Relative Socio-Economic Disadvantage** is derived from attributes such as low income, low educational attainment, high unemployment, jobs in relatively unskilled occupations and dwellings without motor vehicles. and variables that reflect disadvantage

- **Index of Relative Socio-Economic Advantage/Disadvantage** is a continuum of advantage to disadvantage that takes into account variables relating to income, education, occupation, wealth and living conditions

- **Index of Economic Resources** reflects the profile of the economic resources of families within an area with variables including those relating to the income, expenditure and assets of families, such as family income, rent paid, mortgage repayments, and dwelling size
Index of Education and Occupation is designed to reflect the educational and occupational structure of communities such as the proportion of people with a higher qualification or those employed in a skilled occupation.

Each small area, a Collection District (CD) (of approximately 200 to 250 households in an urban area), receives an index analysis of selected variables from the census. Each different SEIFA index uses different variables.

As it is based on CDs, approximately 95% of all index scores fall between 800 and 1,200. The SEIFA are an ordinal value so they can only been seen as a rank. It cannot be assumed that a CD with an index of 1,200 is proportionately 1.5 times ‘better’ or ‘less disadvantaged’ than a CD with 800. Nor would it be appropriate to suggest that the socio-economic difference between two CDs with an index of 1,100 and 1,200 is the same as that between 750 and 850.

The literature accompanying the SEIFA indexes suggests that they should not be used to compare individual CDs. These indexes can be distorted by unusual characteristics of certain households within the CDs. In this instance, the stability of the specific indexes will need to be taken into account; however, it is again only intended as an indicative comparison. Another factor to take into consideration is that the SEIFA is based on the enumerated population, that is, where they were on census night, not where they would normally live.

The method used in this Housing Strategy Issues Paper was to obtain the SEIFA indexes for all the CDs in the MSD – the geographical construct of metropolitan Melbourne used by the Australian Bureau of Statistics. This consisted of 5,718 CDs and a considered population of 3,340,575. The indexes were then weighted to the population of that CD. The population within the CD ranged from 21 to 2,549, with a median of 568 for the whole MSD. Each of the four indexes was then split into 10 equal groups or deciles based on their rank. The analysis that follows, therefore, is comparing the index values for the Shire of Yarra Ranges to the rest of the MSD. For the MSD, the median indicates that half of the population falls below and the other half falls above.

In this analysis, the geographical areas of CDs and LGAs will be used. In the initial instance all the CDs were selected for all LGAs within the MSD. There are 5,720 CDs within this area, each with their own four indexes.

For the map of the Shire (Figure 10), each of the CDs for Melbourne was recoded into 10 equal groups or deciles based on their index. Thus, those indexes which fall in the lowest 10% of all CDs were grouped together. This grouping continued all through the range of deciles, i.e. those in the range of 0-10% became Decile 1, those in the range 11-20% became Decile 2 etc. This method allows for ease of comparison between CDs and between the Shire of Yarra Ranges and Melbourne as a whole.
Appendix 2: Supplementary tables

Table A2-1: Household projections for selected areas

<table>
<thead>
<tr>
<th>Region</th>
<th>2001</th>
<th>2006</th>
<th>2011</th>
<th>2016</th>
<th>2021</th>
<th>2026</th>
<th>2031</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarra Ranges</td>
<td>50,610</td>
<td>52,917</td>
<td>55,029</td>
<td>57,277</td>
<td>59,304</td>
<td>60,787</td>
<td>61,826</td>
</tr>
<tr>
<td>Melbourne</td>
<td>1,309,401</td>
<td>1,420,121</td>
<td>1,533,890</td>
<td>1,646,759</td>
<td>1,757,080</td>
<td>1,853,060</td>
<td>1,936,062</td>
</tr>
<tr>
<td>Rest of Victoria</td>
<td>524,222</td>
<td>566,957</td>
<td>613,169</td>
<td>660,837</td>
<td>708,304</td>
<td>748,599</td>
<td>783,138</td>
</tr>
<tr>
<td>Victoria</td>
<td>1,833,623</td>
<td>1,987,078</td>
<td>2,147,059</td>
<td>2,307,596</td>
<td>2,465,384</td>
<td>2,601,659</td>
<td>2,719,200</td>
</tr>
</tbody>
</table>

% increase on base year 2001

<table>
<thead>
<tr>
<th>Region</th>
<th>4.6%</th>
<th>8.7%</th>
<th>13.2%</th>
<th>17.2%</th>
<th>20.1%</th>
<th>22.2%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yarra Ranges</td>
<td>8.5%</td>
<td>17.1%</td>
<td>25.8%</td>
<td>34.2%</td>
<td>41.5%</td>
<td>47.9%</td>
</tr>
<tr>
<td>Melbourne</td>
<td>8.2%</td>
<td>17.0%</td>
<td>26.1%</td>
<td>35.1%</td>
<td>42.8%</td>
<td>49.4%</td>
</tr>
<tr>
<td>Rest of Victoria</td>
<td>8.4%</td>
<td>17.1%</td>
<td>25.8%</td>
<td>34.5%</td>
<td>41.9%</td>
<td>48.3%</td>
</tr>
<tr>
<td>Victoria</td>
<td>8.4%</td>
<td>17.1%</td>
<td>25.8%</td>
<td>34.5%</td>
<td>41.9%</td>
<td>48.3%</td>
</tr>
</tbody>
</table>

Source: DSE Victoria in Future (VIF) 2004 Population Projections

Table A2-2: Age groups at 2001

<table>
<thead>
<tr>
<th>Age group</th>
<th>Yarra Ranges</th>
<th>Melbourne</th>
<th>Rural Victoria</th>
<th>Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>0-4</td>
<td>9,714</td>
<td>7.1%</td>
<td>214,525</td>
<td>6.4%</td>
</tr>
<tr>
<td>5-14</td>
<td>22,419</td>
<td>16.3%</td>
<td>445,853</td>
<td>13.4%</td>
</tr>
<tr>
<td>15-24</td>
<td>19,388</td>
<td>14.1%</td>
<td>472,935</td>
<td>14.2%</td>
</tr>
<tr>
<td>25-44</td>
<td>40,564</td>
<td>29.6%</td>
<td>1,054,623</td>
<td>31.6%</td>
</tr>
<tr>
<td>45-54</td>
<td>20,776</td>
<td>15.2%</td>
<td>448,581</td>
<td>13.4%</td>
</tr>
<tr>
<td>55-64</td>
<td>12,062</td>
<td>8.8%</td>
<td>298,499</td>
<td>8.9%</td>
</tr>
<tr>
<td>65-74</td>
<td>6,779</td>
<td>4.9%</td>
<td>215,126</td>
<td>6.4%</td>
</tr>
<tr>
<td>74+</td>
<td>5,430</td>
<td>4.0%</td>
<td>188,562</td>
<td>5.6%</td>
</tr>
<tr>
<td>Total</td>
<td>137,132</td>
<td>100%</td>
<td>3,338,704</td>
<td>100%</td>
</tr>
</tbody>
</table>

Source: ABS Census 2001

Table A2-3: Family type

<table>
<thead>
<tr>
<th>Family type</th>
<th>Yarra Ranges</th>
<th>Melbourne</th>
<th>Rural Victoria</th>
<th>Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Couple with Children</td>
<td>20,081</td>
<td>42.7%</td>
<td>442,310</td>
<td>36.5%</td>
</tr>
<tr>
<td>Couple without Children</td>
<td>11,684</td>
<td>24.8%</td>
<td>289,592</td>
<td>23.9%</td>
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<td>One Parent Family</td>
<td>5,326</td>
<td>11.3%</td>
<td>130,788</td>
<td>10.8%</td>
</tr>
<tr>
<td>Other Family</td>
<td>332</td>
<td>0.7%</td>
<td>19,302</td>
<td>1.6%</td>
</tr>
<tr>
<td>Total Families</td>
<td>37,423</td>
<td>79.6%</td>
<td>881,992</td>
<td>72.9%</td>
</tr>
<tr>
<td>Lone Person Household</td>
<td>8,548</td>
<td>18.2%</td>
<td>277,777</td>
<td>23.0%</td>
</tr>
<tr>
<td>Group Household</td>
<td>1,057</td>
<td>2.2%</td>
<td>50,579</td>
<td>4.2%</td>
</tr>
<tr>
<td>Total</td>
<td>47,028</td>
<td>100%</td>
<td>1,210,348</td>
<td>100%</td>
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Source: ABS Census 2001
<table>
<thead>
<tr>
<th>Rank</th>
<th>Advantage/Disadvantage</th>
<th>Disadvantage</th>
<th>Economic Resources</th>
<th>Education and Occupation</th>
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<tr>
<td>1</td>
<td>Boroondara</td>
<td>Boroondara</td>
<td>Stonnington</td>
<td>Boroondara</td>
</tr>
<tr>
<td>2</td>
<td>Stonnington</td>
<td>Stonnington</td>
<td>Boroondara</td>
<td>Melbourne</td>
</tr>
<tr>
<td>3</td>
<td>Melbourne</td>
<td>Bayside</td>
<td>Bayside</td>
<td>Stornnington</td>
</tr>
<tr>
<td>4</td>
<td>Bayside</td>
<td>Nillumbik</td>
<td>Melbourne</td>
<td>Port Phillip</td>
</tr>
<tr>
<td>5</td>
<td>Port Phillip</td>
<td>Manningham</td>
<td>Port Phillip</td>
<td>Yarra</td>
</tr>
<tr>
<td>6</td>
<td>Yarra</td>
<td>Queenscliffe</td>
<td>Nillumbik</td>
<td>Bayside</td>
</tr>
<tr>
<td>7</td>
<td>Nillumbik</td>
<td>Glen Eira</td>
<td>Manningham</td>
<td>Glen Eira</td>
</tr>
<tr>
<td>8</td>
<td>Glen Eira</td>
<td>Port Phillip</td>
<td>Yarra</td>
<td>Queenscliffe</td>
</tr>
<tr>
<td>9</td>
<td>Manningham</td>
<td>Whitehorse</td>
<td>Glen Eira</td>
<td>Manningham</td>
</tr>
<tr>
<td>10</td>
<td>Whitehorse</td>
<td>Surf Coast</td>
<td>Whitehorse</td>
<td>Whitehorse</td>
</tr>
<tr>
<td>11</td>
<td>Monash</td>
<td>Banyule</td>
<td>Monash</td>
<td>Nillumbik</td>
</tr>
<tr>
<td>12</td>
<td>Banyule</td>
<td>Macedon Ranges</td>
<td>Knox</td>
<td>Monash</td>
</tr>
<tr>
<td>13</td>
<td>Queenscliffe</td>
<td>Monash</td>
<td>Banyule</td>
<td>Banyule</td>
</tr>
<tr>
<td>14</td>
<td>Maroondah</td>
<td>Maroondah</td>
<td>Maroondah</td>
<td>Surf Coast</td>
</tr>
<tr>
<td>15</td>
<td>Moonee Valley</td>
<td>Yarriambiack</td>
<td>Moonee Valley</td>
<td>Moonee Valley</td>
</tr>
<tr>
<td>16</td>
<td>Surf Coast</td>
<td>Alpine</td>
<td>Kingston</td>
<td>Maroondah</td>
</tr>
<tr>
<td>17</td>
<td>Knox</td>
<td>Knox</td>
<td>Wyndham</td>
<td>Alpine</td>
</tr>
<tr>
<td>18</td>
<td>Macedon Ranges</td>
<td>Melbourne</td>
<td>Melton</td>
<td>Macedon Ranges</td>
</tr>
<tr>
<td>19</td>
<td>Kingston</td>
<td><strong>Yarra Ranges</strong></td>
<td>Caseley</td>
<td>Moreland</td>
</tr>
<tr>
<td>20</td>
<td><strong>Yarra Ranges</strong></td>
<td>Towong</td>
<td>Macedon Ranges</td>
<td>Kingston</td>
</tr>
<tr>
<td>21</td>
<td>Alpine</td>
<td>Moyne</td>
<td><strong>Yarra Ranges</strong></td>
<td>Darebin</td>
</tr>
<tr>
<td>22</td>
<td>Mornington Peninsula</td>
<td>Buloke</td>
<td>Hobsons Bay</td>
<td>Knox</td>
</tr>
<tr>
<td>23</td>
<td>Wyndham</td>
<td>Southern Grampians</td>
<td>Cardinia</td>
<td>Indigo</td>
</tr>
<tr>
<td>24</td>
<td>Hobsons Bay</td>
<td>Mornington Peninsula</td>
<td>Surf Coast</td>
<td><strong>Yarra Ranges</strong></td>
</tr>
<tr>
<td>25</td>
<td>Moreland</td>
<td>Indigo</td>
<td>Mornington Peninsula</td>
<td>Mornington Peninsula</td>
</tr>
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</table>
### Table A2-5: Dwelling structure

<table>
<thead>
<tr>
<th>Dwelling structure</th>
<th>Yarra Ranges</th>
<th>Melbourne</th>
<th>Rest of Victoria</th>
<th>Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Separate House</td>
<td>44,948</td>
<td>93.9%</td>
<td>919,704</td>
<td>74.0%</td>
</tr>
<tr>
<td>Row/Terrace House</td>
<td>989</td>
<td>2.1%</td>
<td>127,810</td>
<td>10.3%</td>
</tr>
<tr>
<td>Flat Unit</td>
<td>1,223</td>
<td>2.6%</td>
<td>177,579</td>
<td>14.3%</td>
</tr>
<tr>
<td>Other Dwellings&lt;sup&gt;1&lt;/sup&gt;</td>
<td>435</td>
<td>0.9%</td>
<td>9,099</td>
<td>0.7%</td>
</tr>
<tr>
<td>Not Stated</td>
<td>295</td>
<td>0.6%</td>
<td>9,181</td>
<td>0.7%</td>
</tr>
<tr>
<td><strong>Total Occupied Dwellings</strong></td>
<td><strong>47,890</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,243,373</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: ABS Census 2001

Note: 1. Other dwellings includes (i) caravan, cabin, houseboat (ii) improvised home, tent, sleepers out and (iii) house or flat attached to a shop, office etc.

### Table A2-6: Tenure

<table>
<thead>
<tr>
<th>Tenure</th>
<th>Yarra Ranges</th>
<th>Melbourne</th>
<th>Rural Victoria</th>
<th>Victoria</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
<td>%</td>
</tr>
<tr>
<td>Fully Owned</td>
<td>18,807</td>
<td>39.2%</td>
<td>520,729</td>
<td>41.9%</td>
</tr>
<tr>
<td>Purchasing</td>
<td>20,177</td>
<td>42.1%</td>
<td>349,507</td>
<td>28.1%</td>
</tr>
<tr>
<td><strong>Total Home Ownership</strong></td>
<td><strong>38,984</strong></td>
<td><strong>81.3%</strong></td>
<td><strong>870,236</strong></td>
<td><strong>70.0%</strong></td>
</tr>
<tr>
<td>Public Rental</td>
<td>429</td>
<td>0.9%</td>
<td>35,953</td>
<td>2.9%</td>
</tr>
<tr>
<td>Rent Private</td>
<td>5,481</td>
<td>11.4%</td>
<td>243,579</td>
<td>19.6%</td>
</tr>
<tr>
<td>Rented Not Stated</td>
<td>79</td>
<td>0.2%</td>
<td>3,629</td>
<td>0.3%</td>
</tr>
<tr>
<td><strong>Rent Total</strong></td>
<td>5,989</td>
<td>12.5%</td>
<td>283,161</td>
<td>22.8%</td>
</tr>
<tr>
<td>Other Tenure Type</td>
<td>1,152</td>
<td>2.4%</td>
<td>27,071</td>
<td>2.2%</td>
</tr>
<tr>
<td>Not Stated</td>
<td>1,848</td>
<td>3.9%</td>
<td>62,905</td>
<td>5.1%</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>47,973</strong></td>
<td><strong>100%</strong></td>
<td><strong>1,243,373</strong></td>
<td><strong>100%</strong></td>
</tr>
</tbody>
</table>

Source: ABS Census 2001
Figure A2-1: Building approvals, Shire of Yarra Ranges and Melbourne, 1996-2003
Appendix 3: Shire of Yarra Ranges – local area analysis

[SEE SEPARATE REPORT]

Appendix 4: Report on consultations with stakeholders

[SEE SEPARATE REPORT]