



# Local Affordable Housing Plan

July 2024



City of  
Mount Gambier

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**City of Mount Gambier acknowledges the Boandik Peoples as the traditional custodians of the land Mount Gambier (Berrin) sits upon today.**

We respect their spiritual relationship with the land and recognise the deep feelings of attachment our First Nations peoples have with the land.



# INTRODUCTION

This plan represents a step forward in collective efforts to address the need for affordable housing for the Mount Gambier community.

Through collaborative partnerships, strategic land planning and community-driven initiatives, we aim to contribute to a sustainable housing landscape that meets the diverse needs of our community.

The plan is aligned with our strategic plan, emphasising the importance of appealing and affordable housing for growth. It closely adheres to Council's Partnership Priorities and Advocacy document by fostering collaborations with stakeholders to comprehensively address housing affordability challenges, while also aligning with the CBD Guiding Principles to ensure inclusive urban development with diverse housing options.

## What is affordable housing?

Affordable housing refers to housing that is accessible and affordable to individuals or families with low to moderate incomes. It typically involves housing costs that are within the financial means of those in lower income brackets, without placing an excessive financial burden on them.

Affordable housing differs from social housing or community housing, which are owned or managed by government or non-profit community groups. While social and community housing cater to specific income brackets, affordable housing is available to a wider range of household incomes. It is determined by the percentage of gross income (currently 30%) that a household contributes to rent or mortgage.

**Affordable housing is defined as accommodation where a low or moderate income household pays no more than 30% of their annual income to rent or buy (SA Housing Authority, 2024).**

In 2021, the percentage of renter households in Mount Gambier paying more than 30% of their household income on rent increased to 34.4%, up from 10.8% in 2016. Similarly, 18.4% of households paid more than 30% of their household income on mortgage repayments, increasing from 4.2% in 2016.

Affordable housing is an important component of a healthy housing environment. It's not a standalone solution but rather a piece of the puzzle in addressing housing accessibility and ensuring everyone can access safe and affordable housing options.



# INSIGHT INTO MOUNT GAMBIER

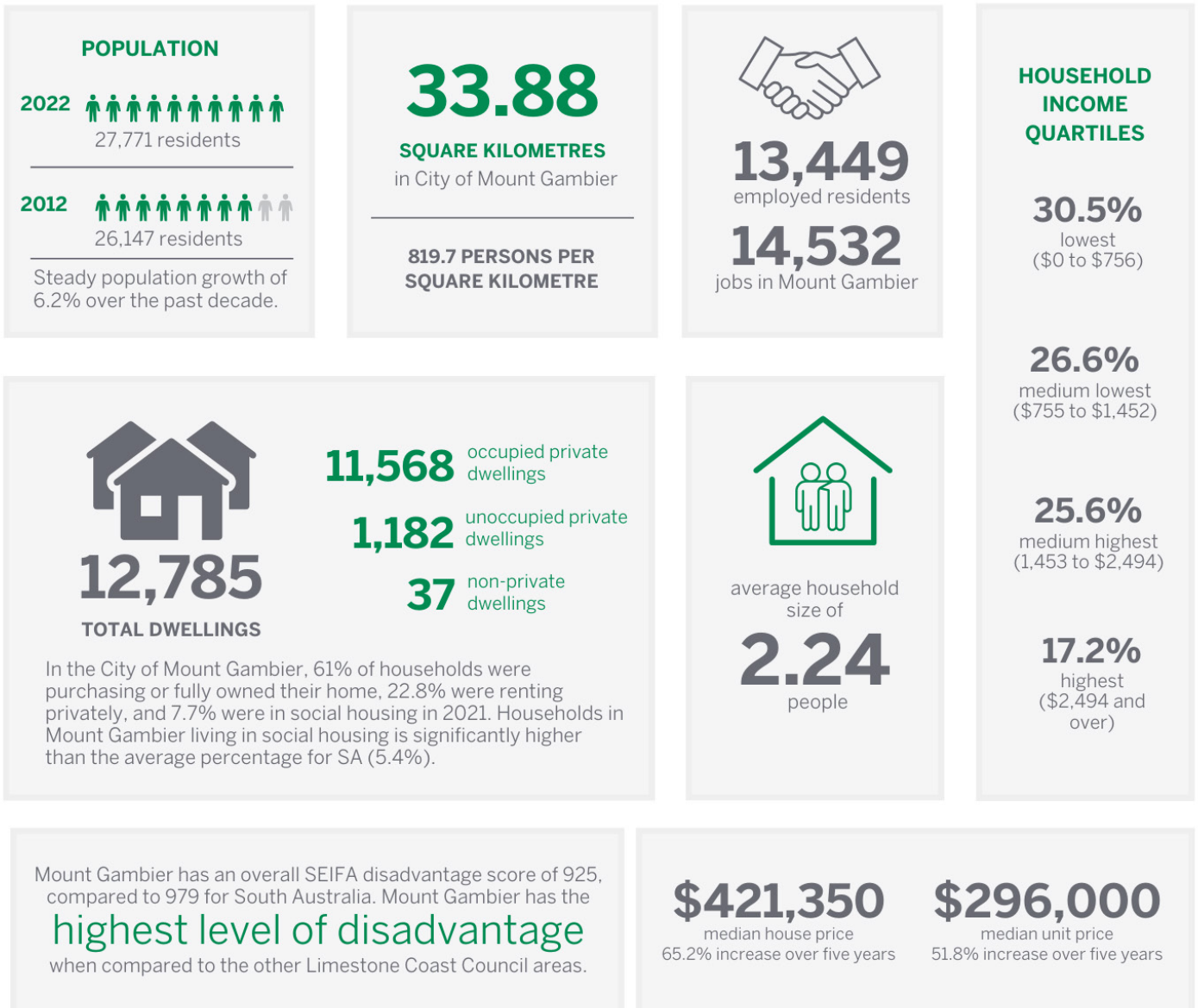
Over the past decade, Mount Gambier has experienced notable changes in population dynamics, employment patterns, housing affordability and homelessness rates.

Employment sectors such as health care, education, construction and hospitality have experienced substantial growth, contributing to a positive shift in employment opportunities.

However, despite this progress a significant proportion of resident workers continue to earn low to moderate incomes, highlighting ongoing challenges in income distribution and economic inequity within the city.

In the last five years, housing prices have risen significantly, with the median house price soaring by 65.2% to \$421,350 and the median unit price increasing by 51.8% to \$296,000. This increase in housing costs has implications for housing affordability, especially considering the median rent for houses at \$400 per week.

Over the past three years, the city has witnessed a concerning rise in homelessness.





## WHAT'S THE ISSUE?

We need more appropriate, accessible and affordable housing in Mount Gambier.

The housing crisis is the result of a number of causes that will require a variety of solutions. These have been grouped into three key issues that people may experience individually or concurrently.

**Availability:** There aren't enough affordable housing options to meet the demand, leaving people with limited choices and long waits for suitable housing.

**Suitability:** Even when housing is affordable, it may not meet people's unique needs.

**Affordability:** People struggle to find housing that fits within their budget, often forcing difficult trade offs between housing costs and other basic needs.

The challenge for individuals and families to find housing that is suitable and affordable within their financial means disproportionately affects low and medium-low income households, which consists of 57.1% of Mount Gambier's population.

*"An increasing number of individuals are making the move to Mount Gambier, with growing recognition of the city in different regions due to heightened interstate travel and limitations on overseas travel during the COVID pandemic. Conversely there has been a decrease in the number of people relocating away from the area. Additionally, there is a notable surge in interest from non-local investors looking to invest in our region."*

*Local Real Estate Agency Principal.*

*"Property types work well for families. Not enough single bedroom properties for single people. Some yards are way too large for people to maintain."*

*Community services representative.*

### Housing supply vs demand

A significant issue is the insufficient number of homes being built to match the growth in population and households. This shortage has accumulated due to restrictions on available land for housing, complex planning and approval processes, coordination between infrastructure planning and housing supply, and shortages of skilled workers in the housing construction industry.

The current vacancy rate in the city is lower than the state average, indicating a tight housing market.

In 2021, there were 12,785 total dwellings in Mount Gambier, increasing by 453 since 2016. Analysis of the types of dwellings shows that 74.7% were separate houses, 24.3% were medium density dwellings, and 0.2% were in high density dwellings.

The data collected through the surveys undertaken by local real estate agents, developers and community services indicates nuanced differences in preferences across requests to rent, buy and build.

The data reveals a consistent preference for three-bedroom houses in both renting and buying categories, indicating a growing demand for smaller housing units like one-bedroom houses or townhouses in the building sector. This suggests a potential shift in demand towards more compact and potentially more affordable housing options in the construction sector.

Additionally, global supply chain disruptions have led to shortages of building materials and increased prices, driving up construction costs. These supply chain issues and labour shortages are slowing down home construction in Mount Gambier.



## OPPORTUNITIES AND CONSTRAINTS

Understanding the opportunities and constraints associated with the development of affordable housing, stakeholders and developers can better navigate the development process, optimise resource allocation, and ultimately contribute to the creation of more accessible and sustainable housing options for communities. These may include regulations, land availability, infrastructure, and environmental considerations.

City of Mount Gambier has the opportunity to serve as a connector between the needs of our community and development interests, providing essential information about opportunities through communications channels and collaborative approaches.

### **A Better Housing Future**

The South Australian Government's \$965 million plan for 'A Better Housing Future' is intended to deliver more social and affordable houses, greater protections for those who are renting, more affordable rental opportunities and more support for people to buy a home.

Changes to tenancy legislation and conditions, planning requirements and land releases to enable a dynamic and responsive housing sector have commenced, including amended regulations to allow existing ancillary accommodation to be leased or rented out, potentially bringing hundreds of new homes to the rental market.

### **Regional Plan**

The State Planning Commission is commencing preparation of a new regional plan for the Limestone Coast region. The regional plan will map the South Australian Government's long-term vision for growth in the Limestone Coast region.

City of Mount Gambier will continue to be active participants in the development of this plan.

### **Housing, Infrastructure, Planning and Development Unit**

The Housing, Infrastructure, Planning and Development Unit (HIPDU) has been established within the Department of Trade and Investment to facilitate infrastructure provision for housing developments across the state. The aim is to remove barriers to development by providing certainty and transparency to the development industry to fast track the delivery of housing and enable South Australia to achieve national housing targets.

The Unit will collaborate with industry, local government, state agencies and essential service providers to develop approaches that meet the needs of all stakeholders while protecting our natural resources and heritage.

### **Department of Housing and Urban Development**

The State Government will establish a new Department of Housing and Urban Development that will cover all aspects of housing, housing infrastructure, urban development and planning. The coordination of these critical and connected portfolio areas under one minister will aim to ensure a focus on delivering good decisions that allow additional homes to be constructed as quickly as possible.

### **Supply of essential shared infrastructure**

The supply of critical utilities such as water supply and wastewater, electric power and road networks act as significant constraints on the development of new houses in Mount Gambier.

The availability and adequacy of shared infrastructure is an essential consideration for housing development. Constraints in these areas limit the number and scope of new housing projects until appropriate infrastructure upgrades are made to support the increased demand.



## WHAT IS CITY OF MOUNT GAMBIER CURRENTLY DOING?

Like many communities, we are challenged with the demand for affordable housing. Council is embarking on a series of initiatives to better understand the landscape and the nuances of Mount Gambier's needs in a broader ecosystem of housing.

### **Rate Rebate Policy**

City of Mount Gambier's Rate Rebate Policy outlines that the rates on land predominantly used for service delivery or administration (or both) by a community service organisation will be rebated at 75 per cent, in accordance with the Local Government Act 1999. This includes services such as emergency accommodation and supported accommodation.

### **Mount Gambier 2035**

Council is facilitating development of a new community vision named Mount Gambier 2035.

According to population projections, Mount Gambier is expected to reach almost 31,000 by 2035. This rate of growth will be higher than we have seen historically, but still represents a steady increase in comparison to some other regional areas.

Through community engagement for Mount Gambier 2035, our community has expressed a desire for population growth, with the following objectives in mind:

- Growth will lead to a broader range of services and infrastructure.
- Growth will provide people with greater opportunity locally – particularly in retaining our young people.
- Desire for growth that is sustainable in order to maintain the 'lifestyle' that comes with living in Mount Gambier - safe, affordable, easy to get around, naturally beautiful and peaceful.

### **Regionalisation Ambition 2032 Pledge**

Pledges are a way organisations can show support for the Regional Australia Institute's Regionalisation Ambition 2032. Organisations show support by making a pledge that aligns to a pillar and will contribute to one of the Ambition's targets.

City of Mount Gambier has pledged to enhance liveability by developing this Local Affordable Housing Plan that will seek to address the shortfall in affordable housing supply in our community.

### **Mount Gambier Housing Alliance**

City of Mount Gambier acknowledges that affordable housing challenges cannot be solved by one entity and requires a collaborative approach to move forward. Council has pulled together a collective group of stakeholders from community services, real estate, developers, and practitioners, to engage in constructive dialogue and develop holistic approaches to improve affordable housing issues in our community.

Part of this work has included collating data to build a holistic picture of the housing needs in our city and a closer look at community needs to ensure we are future proofing housing for all across our city. The expertise of these stakeholders was sought via a short survey to help understand the demands, gaps and potential trends so we can shape this plan to build on Mount Gambier's liveability as a regional capital city.

In addition to the work undertaken with the Mount Gambier Housing Alliance, Council has engaged in a range of individual discussions with various stakeholders to explore strategies and approaches to enhancing affordable housing conditions within our community.



## EXISTING ROLES AND STRATEGIES

Various roles affect the affordable housing crisis and its solutions, from government regulations to community housing management and private sector development.

Roles and responsibilities in the housing ecosystem:

Australian Government	State Government	Local Government
<p><b>Housing demand</b></p> <ul style="list-style-type: none"> <li>• Tax incentives (negative gearing capital gains tax reduction)</li> <li>• Migration policy</li> </ul> <p><b>Home ownership</b></p> <ul style="list-style-type: none"> <li>• Capital gains tax reduction</li> <li>• First home buyer super saver scheme</li> <li>• Home value exclusion from the Age Pension eligibility</li> </ul> <p><b>Social housing investment</b></p> <ul style="list-style-type: none"> <li>• National Housing and Homelessness Agreement (NHHA)</li> <li>• National Housing Finance and Investment Corporation (NHFC)</li> </ul> <p><b>Welfare support</b></p> <ul style="list-style-type: none"> <li>• Commonwealth rent assistance</li> </ul> <p><b>Major infrastructure funding</b></p> <ul style="list-style-type: none"> <li>• City Deals</li> <li>• National Housing Infrastructure Facility (NHIF)</li> </ul>	<p><b>Taxes and duties</b></p> <ul style="list-style-type: none"> <li>• Stamp duty</li> <li>• Land tax</li> </ul> <p><b>Public and community housing</b></p> <ul style="list-style-type: none"> <li>• Funding public housing</li> <li>• Transfer to community housing organisations</li> </ul> <p><b>Planning Laws</b></p> <ul style="list-style-type: none"> <li>• Inclusionary zoning</li> <li>• Planning permits and restrictions</li> </ul> <p><b>Home ownership</b></p> <ul style="list-style-type: none"> <li>• First Home Owner Grants</li> <li>• Stamp duty exemptions</li> <li>• Other exemptions</li> </ul> <p><b>Social housing investment</b></p> <ul style="list-style-type: none"> <li>• National Housing and Homelessness Agreement (NHHA)</li> <li>• National Housing Finance and Investment Corporation (NHFC)</li> </ul> <p><b>Land release</b></p> <ul style="list-style-type: none"> <li>• Release of public non-residential land</li> </ul> <p><b>Housing, Infrastructure, Planning and Development Unit</b></p>	<p><b>Rates</b></p> <p><b>Minor Infrastructure</b></p> <ul style="list-style-type: none"> <li>• Roads and minor infrastructure</li> <li>• Libraries and community spaces</li> </ul> <p><b>Planning Administration</b></p> <ul style="list-style-type: none"> <li>• Strategic Planning</li> <li>• Land use zoning</li> <li>• Development approval assessments</li> </ul> <p><b>Advocacy and Networking</b></p>
<p>Parrallel activites occuring from private and public sector</p>		



Affordable housing is a focal point for action across all levels of government, non-government providers, public housing authorities, government funding bodies, private financiers and property developers.

The landscape is intricate, demanding ongoing attention. Navigating the complexities of affordable housing requires continuous monitoring and collaboration to ensure effective allocation of resources and alignment with evolving policies and community needs.

Existing strategies, policies and projects:

National	State	Regional	Local
<ul style="list-style-type: none"> <li>• \$2billion Accelerated Social Housing Program</li> <li>• \$3billion New Home Bonus</li> <li>• \$10billion Housing Australia Future Fund</li> <li>• National Construction Code</li> <li>• 7 Star Energy Rating Criteria</li> <li>• Regionalisation Ambition 2032</li> <li>• National Regional Housing Summit</li> <li>• Advocating for National Population Policy</li> <li>• 2023 Intergenerational Report</li> <li>• Homes for Australia Plan</li> </ul>	<ul style="list-style-type: none"> <li>• A Better Housing Future - Removal of Stamp Duty on new homes</li> <li>• Inquiry in South Australian Housing Affordability</li> <li>• SAROC – Regional Housing Advocacy</li> <li>• Formation of Office of Regional Housing</li> <li>• Social Housing Accelerator program</li> <li>• Local Affordable Housing Tool Kit</li> <li>• Regional Plans</li> <li>• Uni SA appointment of Chair for Regional Housing and Planning</li> <li>• 20-year State Infrastructure Strategy</li> <li>• Housing, Infrastructure, Planning and Development Unit</li> <li>• New Department of Housing and Urban Development</li> <li>• LGASA Regional Housing Toolkit</li> <li>• Housing Roadmap</li> </ul>	<ul style="list-style-type: none"> <li>• Limestone Coast Local Government Association Advocacy Agenda 2022/2023 – Housing for All</li> <li>• Regional Housing Forum led by UniSA</li> <li>• Limestone Coast Support Homeless People Luncheon</li> </ul>	<ul style="list-style-type: none"> <li>• “Housing for All” group established by Troy Bell MP</li> <li>• Mount Gambier Housing Alliance formed</li> <li>• City of Mount Gambier The Regionalisation Ambition pledge</li> <li>• Community Services Roundtable</li> </ul>

***“It’s important for us to keep meeting and maintain momentum as a collective to share information and develop comprehensive solutions to address affordable housing challenges in our community.”***

*Local Building Company Manager*



## HOW CAN WE MAKE A DIFFERENCE?

***Vision: A city that offers safe, affordable and accessible housing to a diverse community.***

Through collaborative efforts with stakeholders, our goal is to create a diverse and inclusive community where everyone can find suitable housing that meets their needs without experiencing an excessive financial burden.

Increasing the availability of affordable housing will have flow on benefits and help alleviate pressures on social housing and homelessness by providing housing options that are within reach of low-income earners, allowing social housing programs to prioritise individuals and families with the most acute needs. Stable housing enables individuals and families to maintain employment, access education, and utilise healthcare services more effectively.

### **Priorities and Action Plan**

This affordable housing crisis will require all stakeholders within the housing market, all levels of government, community services, the development industry and the finance and investment industry, to collaborate to deliver solutions.

The City of Mount Gambier recognises its ability to influence this work through:

1. Community and commercial partnerships
2. Advocacy
3. Strategic land use planning
4. Incentives and opportunities

### **Community and Commercial Partnerships**

By fostering community and commercial partnerships, the City of Mount Gambier can combine resources, expertise and support to address housing affordability challenges and create more inclusive communities effectively.

Action	Timeframe
Bring together community services, real estate and property managers, developers, and relevant stakeholders to strengthen understanding of the important role that affordable housing plays in cohesive communities and leverage resources and expertise for collaborative affordable housing projects and leverage funding opportunities.	
Develop a digital housing hub to as a central point of valuable information, including data, fact sheets, current incentives and FAQs, that can support and advocate for affordable housing.	

## Advocacy

City of Mount Gambier can effectively advocate for policies and initiatives that address the community's housing needs and promote housing affordability for all residents.

Action	Timeframe
Advocate to State and Federal Governments to secure additional funding for affordable housing and associated services in Mount Gambier.	
Advocate to the State Government to strengthen the Affordable Housing provisions in the Planning, Development and Infrastructure Act 2016 to meet the needs of current and future communities.	
Strengthen references to affordable housing in Council's Partnership Priorities and Advocacy document.	
Support the development of a Regional Housing Strategy as identified in the Limestone Coast Local Government Association Advocacy Agenda 2022/2023.	
Advocate to State and Federal Governments to establish effective regulations for short-term rentals to promote long-term rental accommodation while providing choice for property owners.	
Continue to advocate for improved public transport services to enable people to access employment, education and service facilities.	
Advocate to the state and federal governments to expand public and social housing funding.	
Maintain strong connections through the Regional Activators Alliance to ensure visibility on the national policy agenda.	
Advocate to state government to improve tenancy pathways into and through social and affordable housing.	
Advocate to state government for enabling infrastructure to be prioritised in the region as a way of unlocking capacity to support new developments.	

*"Advocate to ensure bus services provide connections for people living outside of CBD so more affordable less central housing is accessible."  
Community services representative.*

*"Housing Trust should be able to give a reference for their tenants to obtain a rental reference in the private sector. At the moment there is no reference given."  
Local Real Estate Agency representative.*



## Strategic Land Use Planning

By improving and advocating for these land use planning actions, the City of Mount Gambier can help create a regulatory environment that encourages the development of affordable housing and promotes equitable access to housing opportunities for all residents.

Action	Timeframe
Encourage broad community consultation and involvement in the development of Regional Plan.	
Develop cheat sheets for changes to plans and policies explaining what this means for local development and how it may impact Mount Gambier.	
Implement inclusionary zoning policies that require a certain percentage of units in new developments to be affordable.	
Review current zoning and identify localities to encourage the development of alternative housing styles and types.	
Develop a centralised internal process for recording affordable housing outcomes.	

*“Require a mix of housing options within new estates.”*  
Community services representative.

## Incentives and Opportunities

By implementing a combination of incentives and partnerships, the City of Mount Gambier can create a supportive environment for developers and builders to invest in and construct more affordable housing options for residents.

Action	Timeframe
Support the work of the Housing, Infrastructure, Planning and Development Unit (HIPDU) to enable the supply of essential shared infrastructure improvements to unlock development opportunities.	
Encourage private developers to incorporate affordable housing components into larger mixed-use or market-rate developments.	
Partner with the state government to deliver a priority planning approval process for affordable housing developments.	
Investigate under-utilised Council owned sites to determine which sites would be suitable for test and trial Affordable Housing solutions, including options for leasing land for alternation dwellings, communal housing and tiny homes.	
Develop business cases to position Mount Gambier as an investment choice for affordable housing.	
Investigate incentive opportunities that encourage investment in affordable housing in Mount Gambier on a case-by-case basis.	

## MONITORING AND REVIEW

The City of Mount Gambier Local Affordable Housing Plan will remain fluid to be responsive to evolving local initiatives and broader opportunities. The plan will be continuously refined to best address the dynamic landscape of affordable housing needs. This requires a commitment to utilising evidence and processes that ensure the plan remains on course towards its objectives. Regular data collection, analysis, and feedback mechanisms should be established to inform decision-making and assess the effectiveness of implemented strategies.

A central point of monitoring and reviewing the Affordable Housing Plan involves the established Mount Gambier Housing Alliance for ongoing discussions and deliberations regarding affordable housing issues. This centralised group serves as a core for engaging stakeholders, sharing insights, and collectively addressing emerging challenges. Regular reviews conducted as part of the group, ideally scheduled three times a year, provide opportunities to assess progress, identify areas for improvement, and integrate current knowledge and observations into future iterations of the plan.

By empowering the community to lead the conversation surrounding housing needs, the plan can be more responsive and reflective of local priorities. This collaborative approach ensures that the Affordable Housing Plan remains dynamic, relevant, and effective in meeting the diverse housing needs of Mount Gambier's residents.

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