

Affordable Housing Policy

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Responsible Officer and Unit	Coordinator Community and Social Planning		
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Macedon Ranges Shire Council acknowledges the Dja Dja Wurrung, Taungurung and Wurundjeri Woi Wurrung Peoples as the Traditional Owners and Custodians of this land and waterways. Council recognises their living cultures and ongoing connection to Country and pays respect to their Elders past, present and emerging. Council also acknowledges local Aboriginal and/or Torres Strait Islander residents of Macedon Ranges for their ongoing contribution to the diverse culture of our community.

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Purpose

The purpose of this policy is to set Council's position on affordable housing and provide a clear, evidence-based framework to guide Council's actions and decisions in supporting affordable housing in the Macedon Ranges Shire.

Objectives

The objectives of this policy are to:

- recognise housing as a fundamental need and support access to safe, secure and affordable housing for people who face the greatest barriers in the Macedon Ranges Shire;
- provide a clear, evidence-based policy position to guide Council decision-making, advocacy, planning and partnerships related to affordable housing;
- support an increase in the supply, diversity and suitability of affordable housing over time, particularly for very low-, low- and moderate-income households;
- promote affordable housing that is well-located, accessible, and appropriate for different household types, life stages and needs;
- embed equity and inclusion considerations in Council's approach to affordable housing;
- support policy, planning and statutory settings that enable long-term, sustainable affordable housing outcomes.

Background

- Council adopted an interim Affordable Housing Policy in 2023 to maintain a clear policy position while awaiting further state direction. Since then, housing pressures have continued to intensify, and new data and analysis have become available.
- In 2025-26, Council undertook a review of the 2023 policy, supported by a detailed background paper along with community and stakeholder engagement.
- Findings from this review process demonstrated that housing affordability remains a significant and growing issue in the Macedon Ranges Shire, with local evidence showing increasing difficulty for very low-, low- and moderate-income households to access safe,

secure and appropriate housing. This is driven by rising housing and rental costs, limited housing diversity, and population growth pressures.

Gender Impact Assessment

In accordance with the *Gender Equality Act 2020*, a Gender Impact Assessment (GIA) has been conducted in relation to the subject matter of this policy. The GIA found that housing affordability and access are experienced differently across the community, with women more likely to face housing stress due to lower incomes, caring responsibilities, workforce inequality, and higher risk of housing insecurity following relationship breakdown or family violence. These impacts are compounded for Aboriginal and Torres Strait Islander people, single parents, older people, younger people, people with disability, and people from culturally diverse backgrounds.

Recommendations from the GIA were that Council:

- embed gender and intersectional considerations explicitly within the Affordable Housing Policy and any supporting documents, rather than treating them as standalone actions;
- prioritise low-cost, high-impact enablers, including accessible housing information, consistent use of data, and regular monitoring of equity impacts;
- use Council-owned land and Council-supported projects strategically, recognising their potential impact for groups experiencing compounded disadvantage.

Policy

Council's role

1.1 Council's policy direction regarding affordable housing is guided by three key roles that reflect its responsibilities, influence and position. These include:

- 1.1.1 **Advocate** – Council actively advocates for increased and sustained investment in social and affordable housing by representing local needs and priorities to State and Commonwealth governments and supporting informed community understanding of local housing needs and policy settings.
- 1.1.2 **Decision-maker** – Council uses its statutory and regulatory responsibilities to influence, leverage and negotiate affordable housing outcomes through planning, policy and decision-making processes.

- 1.1.3 **Facilitator and partner** – Council actively builds relationships, brokers partnerships and coordinates stakeholders, including registered housing agencies, developers and government agencies, to progress affordable housing opportunities.
- 1.2 In applying these roles, Council will proactively identify and support practical opportunities to improve affordable housing outcomes within its sphere of influence. This includes working with partners, using available levers, such as the planning process and Council-owned land, and supporting the development of an implementation pathway through future strategic work.
- 1.3 Council supports improved housing outcomes through these roles within its legislative remit, recognising the opportunities alongside the limits of its jurisdiction and financial capacity. Decisions are guided by evidence, local need and broader policy settings.
- 1.4 Council's role in supporting affordable housing through planning is shaped by legislative and policy settings, which provide some mechanisms to influence outcomes but remain constrained and continue to evolve.
- 1.5 Council currently owns and/or manages a small number of social housing assets and has an active role in decisions relating to their use, renewal, redevelopment or long-term management.
- 1.5.1 Council's approach to these assets has generally prioritised partnerships with registered housing providers to support long-term housing outcomes, rather than direct housing management.
- 1.5.2 Decisions relating to Council-owned or Council-managed housing are informed by long-term social, financial and community value, and may be subject to further consideration by Council over time.
- 1.6 Council does not have primary responsibility for the funding, delivery or ongoing management of social and affordable housing, which largely sit with State and Commonwealth governments and registered housing providers.

Key principles

Council's position on affordable housing is grounded in the following principles, which guide how Council understands the issue and undertakes the three key roles outlined above.

- 2.1 There is a clear and ongoing need for affordable housing in the Macedon Ranges, particularly for households experiencing housing stress or exclusion from the private market due to income and other compounding factors.
- 2.1.1 Affordable housing should prioritise very low- and low-income households, where market solutions consistently fail, with appropriate affordable options also supporting moderate-income households.
 - 2.1.2 Increasing the supply of well-located social housing is essential to meeting the needs of households who cannot be served by the private market.
 - 2.1.3 Housing need is shaped by intersecting factors such as gender, age, disability, caring responsibilities, cultural background and risk of homelessness, with some groups experiencing compounded disadvantage.
 - 2.1.4 Addressing affordable housing need requires coordinated support from State and Commonwealth governments, including the use of suitable government-owned land and major infrastructure and urban renewal projects.
- 2.2 Affordable housing is essential to community wellbeing, social inclusion and economic participation in the Macedon Ranges.
- 2.2.1 Affordable housing enables people to live safely, maintain employment, access services and support networks, and participate fully in community life.
 - 2.2.2 Supporting affordable housing helps maintain diverse, resilient and functioning communities by enabling a wide range of households to contribute to the social, economic and cultural life of the shire.
 - 2.2.3 Council recognises that access to affordable housing also affects the ability of local workers and essential service providers with low and moderate incomes to live within the shire, with implications for workforce sustainability and service delivery.
 - 2.2.4 Community understanding of what affordable housing is, who it is for and how it is delivered is important to reducing misinformation, building support and achieving long-term community benefit.
- 2.3 Long-term security and retained affordability are essential features of effective affordable housing.

- 2.3.1 Affordable housing should remain affordable over time and be secured through appropriate ownership, management and governance arrangements, rather than short-term or one-off outcomes.
- 2.3.2 A mix of affordable housing across the continuum, including social housing, affordable rental and affordable purchase options, supports long-term security and enduring affordability.
- 2.3.3 Council recognises the value of approaches that improve the quality, sustainability and effective use of affordable and social housing assets, particularly where they respond to demonstrated housing need.
- 2.3.4 Decisions about Council-owned or Council-managed housing should consider long-term social, financial and community value, including asset condition, suitability, location, long term management and future demand.
- 2.4 A diverse mix of affordable housing is needed to reflect different household needs, life stages and changing circumstances.
 - 2.4.1 Affordable housing should include a range of dwelling types, sizes and designs that respond to different household structures, including lone-person households, families, older people and people with disability.
 - 2.4.2 Affordable housing should be designed to accommodate changing needs over time, including ageing, mobility and accessibility requirements, to support long-term housing stability and ageing in place.
- 2.5 The location of affordable housing is critical to supporting access, participation and opportunity.
 - 2.5.1 Affordable housing should be well located to enable access to transport, services, employment, education and community infrastructure, and to reduce living and transport costs.
 - 2.5.2 Poorly located housing can entrench disadvantage, even where housing costs are lower.
- 2.6 High-quality design, sustainability and neighbourhood integration are fundamental to successful affordable housing outcomes.

- 2.6.1 Affordable housing should be safe, accessible, well designed and environmentally sustainable, supporting dignity, wellbeing and inclusion.
 - 2.6.2 Affordable housing should be tenure-blind and integrated within neighbourhoods, avoiding stigma, segregation or concentrations that reinforce disadvantage.
 - 2.6.3 Good design should minimise ongoing living costs through energy efficiency, durability and reduced maintenance, recognising that affordability extends beyond upfront housing costs. High-quality, climate-responsive design also strengthens resilience for households more vulnerable to heat, extreme weather and rising living costs.
- 2.7 Planning decisions that increase development opportunity can reasonably support affordable housing outcomes where public value is created within the scope of legislative and planning mechanisms.
- 2.7.1 Where land-use change, rezoning or development uplift occurs, Council may seek affordable housing outcomes, having regard to the scale of development, feasibility and demonstrated housing need.
 - 2.7.2 Affordable housing outcomes rely on collaboration between Council, government, registered housing agencies, developers and service providers.
 - 2.7.3 Economic feasibility should be balanced with public benefit, long-term housing need and value created through planning decisions.
- 2.8 Affordable housing policy should be evidence-based, adaptable and responsive to changing conditions.
- 2.8.1 Policy and decisions should be grounded in local data, lived experience and settlement patterns, rather than generic targets or one-size-fits-all approaches.
 - 2.8.2 Affordable housing markets and policy settings change over time, and Council policy should allow flexibility in mechanisms while remaining clear about objectives and principles.
 - 2.8.3 Affordable housing need extends beyond shire boundaries, and collaboration with neighbouring councils and regional partners can strengthen advocacy and outcomes.

Commitments

These commitments set out how Council will apply its affordable housing principles in practice:

3.1 Use an evidence-based and consistent approach to affordable housing by:

- 3.1.1 using current local housing data and analysis to inform Council's position, priorities, decision-making and advocacy, and to support transparent community understanding of local affordable housing needs;
- 3.1.2 applying relevant legislative provisions, where available, to consider affordable housing need, location, type and longevity in planning and policy contexts;
- 3.1.3 aligning Council's approach with relevant local, state and national housing and homelessness frameworks, while responding to current and emerging issues in the Macedon Ranges Shire.

3.2 Focus Council's affordable housing approach on households most excluded from the market, and on outcomes that provide long-term security, by:

- 3.2.1 prioritising very low- and low-income households in consideration of affordable housing outcomes, while also supporting and encourage affordable housing outcomes for moderate-income households where feasible and appropriate;
- 3.2.2 explicitly considering equity and intersectional impacts in the formation of Council positions and decisions related to affordable housing;
- 3.2.3 prioritising affordable housing outcomes that support long-term affordability and housing security when weighing options, rather than short-term or one-off outcomes.

3.3 In principle, support affordable housing that is well-located, high quality and responsive to diverse household needs by considering whether proposals:

- 3.3.1 enable access to services, transport, employment and community infrastructure, and reduce ongoing living and transport costs;
- 3.3.2 provide a mix of dwelling types, sizes and designs that respond to different household needs and life stages;
- 3.3.3 are accessible and adaptable, supporting people with disability, ageing populations and long-term housing stability;

- 3.3.4 demonstrate high-quality, tenure-blind and environmentally sustainable design that supports dignity, wellbeing and inclusion.
- 3.4 Use Council's statutory and strategic planning role, within the scope of legislative and planning mechanisms, to support affordable housing outcomes where development opportunity or public value is created, by:
 - 3.4.1 considering affordable housing outcomes having regard to scale and feasibility, when planning decisions increase development capacity, land use potential or public value;
 - 3.4.2 applying a balanced approach that weighs housing need, community benefit and economic feasibility;
 - 3.4.3 considering opportunities for new or innovative affordable housing approaches through planning policy, structure planning and land use frameworks, where consistent with Council's role and authority;
 - 3.4.4 ensuring planning approvals and structure plans respond to affordable housing needs by supporting a diversity of housing options, including smaller dwellings in well-served locations.
- 3.5 Work with State and Commonwealth governments, registered housing agencies, developers, service providers, advocacy organisations, philanthropic partners and regional peers to advance affordable housing outcomes by:
 - 3.5.1 advocating to State and Commonwealth governments for improved policy, funding and planning mechanisms that respond to local affordable housing need and deliver genuinely affordable outcomes;
 - 3.5.2 supporting partnerships that strengthen affordable housing outcomes and improve support for households living in affordable housing;
 - 3.5.3 collaborating with neighbouring councils and regional groups where coordinated approaches strengthen evidence, advocacy or outcomes, including through relevant regional housing action plans;
 - 3.5.4 participating in inter-council forums and working with peak bodies, including the Municipal Association of Victoria (MAV) and the Community Housing Industry

Association (CHIA), to contribute to shared affordable housing objectives at regional and state levels;

3.5.5 engaging with local employers and industry groups to monitor emerging workforce housing pressures and identify appropriate advocacy or partnership responses.

3.6 Use Council's ownership, management and stewardship of land and housing assets to support long-term affordable housing outcomes and broader community value by:

3.6.1 considering the maximisation of long-term social, financial and community value in decisions affecting Council-owned or Council-managed social and affordable housing, including through renewal, redevelopment or partnership approaches where these improve yield, quality, accessibility, sustainability and long-term affordability;

3.6.2 Proactively identifying and considering opportunities to support affordable housing outcomes on vacant or underutilised land, particularly land owned by Council, and developing and applying clear, transparent and evidence-based criteria to guide that consideration, having regard to demonstrated housing need and long-term social, financial and community value;

3.6.3 applying Council's Asset Plan to Council-owned or Council-managed seniors' housing to inform decisions about renewal, redevelopment or reinvestment, in collaboration with registered housing agencies and relevant stakeholders;

3.6.4 prioritising approaches that improve the overall yield, quality and long-term sustainability of social housing within the shire;

3.6.5 requiring, where Council land is sold or leased to a registered housing agency, that the agency demonstrates a long-term commitment to affordable housing in the Macedon Ranges, an understanding of local housing needs, a proven delivery and management track record, sound governance and the capacity to secure ongoing funding.

3.7 Support informed and constructive community understanding of affordable housing by:

3.7.1 providing clear and accurate information about what affordable housing is, who it is for, and Council's role and limits in supporting it;

- 3.7.2 supporting communication and engagement approaches that respond to diverse housing circumstances and help manage expectations about affordable housing outcomes.

Definitions

Term	Definition
Affordable housing	Housing, including social housing, that is appropriate for the needs of very low-, low- or moderate-income households and is provided in a way that enables households to meet other essential living costs.
Council-owned housing	Housing where Council holds ownership of the land and/or dwellings and has responsibility for decisions relating to the asset, including its use, renewal, redevelopment or disposal.
Housing stress	A situation where a household spends more than 30 per cent of its income on housing costs, limiting its ability to meet other essential living expenses and increasing the risk of housing insecurity.
Registered Housing Agency/Provider	A not-for-profit organisation registered under the <i>Housing Act 1983</i> that develops, owns and/or manages social and affordable housing and is regulated by the Victorian Housing Registrar.
Social housing	Rental housing for very low- and low-income households that is owned or managed by government or a registered housing agency and provided with ongoing subsidy to ensure affordability and security of tenure.
Very low-, low- or moderate-income households	Households whose gross annual income falls within the very low-, low- or moderate-income ranges specified under section 3AB of the <i>Planning and Environment Act 1987</i> , as set out in the current Governor in Council Order.

References

- > Affordable Housing Policy Background Paper

Related Policies

> Shaping the Ranges 2025-2035

> Asset Plan 2025-2035

Related Legislation

> *Local Government Act 2020 (Vic)*

> *Planning and Environment Act 1987 (Vic)*

> *Housing Act 1983 (Vic)*

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