

A Home in Hepburn Shire – Affordable Housing Strategy and Action Plan

Stage 1 Community Engagement Findings



Prepared for:
HEPBURN SHIRE COUNCIL

Prepared by:
ACTIVATE CONSULTING and HORNSBY & CO
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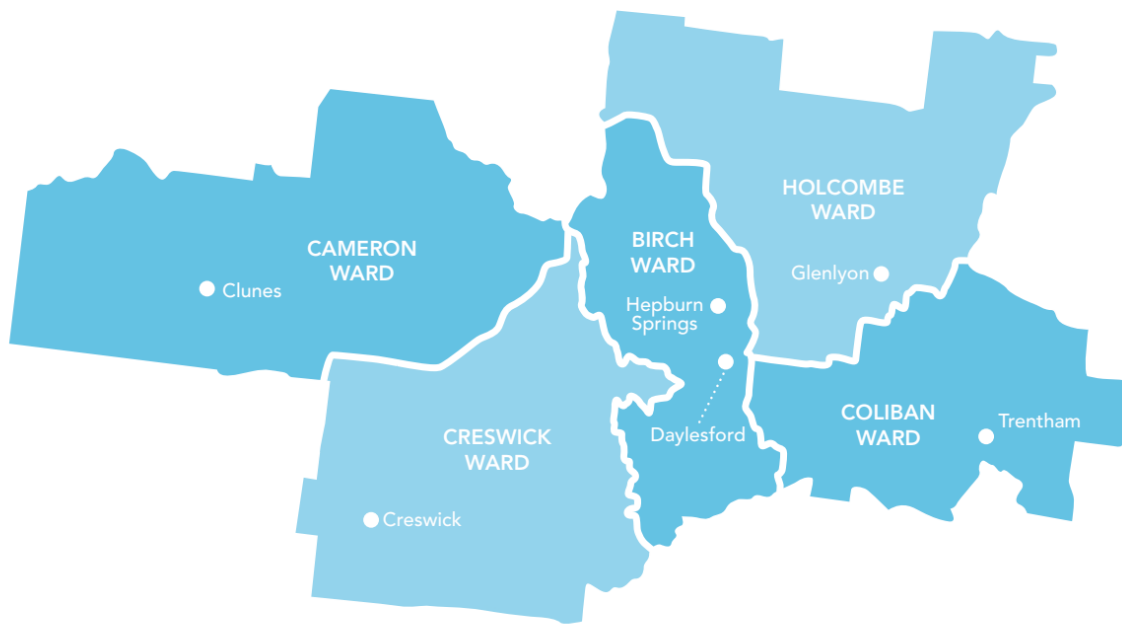
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Activate Consulting and Hornsby & Co. acknowledge the Dja Dja Wurrung as the Traditional Owners of the lands and waters on which this report is based. On these lands, Djaara have performed age-old ceremonies of celebration, initiation, and renewal. We recognise their resilience through dispossession and it is a testament to their continuing culture and tradition, which is strong and thriving. We also acknowledge the neighbouring Traditional Owners, the Wurundjeri to our South East and the Wadawurrung to our South West and pay our respect to all Aboriginal peoples, their culture, and lore. We acknowledge their living culture and the unique role they play in the life of this region.



1. EXECUTIVE SUMMARY

There is a housing affordability issue within Hepburn Shire that is affecting people on lower incomes and in key jobs that are needed to support the local community. It is becoming increasingly hard for people to find a home that meets their needs and is affordable. Over 300 households in Hepburn Shire are living in housing stress or at risk of homelessness (*2021 Census; 2016 ABS homelessness data*).

The issue of housing and affordability has been the subject of significant community advocacy and features prominently in the Hepburn Shire Community Vision. In 2021, Hepburn Shire Council (HSC) adopted an [Affordable Housing Policy](#) that recognises that access to safe and affordable housing is an emerging and critical local issue. An action of the Policy was to develop an Affordable Housing Strategy and Action Plan (AH Strategy) to guide Council's actions to help address the issue where it can.

HSC has engaged Hornsby & Co. and Activate Consulting to assist in developing the AH Strategy. This includes a community engagement program to inform the Strategy. This Community Engagement Findings Report outlines the findings from the first stage of engagement.

The first stage of engagement was supported by the '[A Home in Hepburn Shire: Issues and Options Paper](#)', which summarised key research on the local issue, information about roles and responsibilities, and a range of potential actions available to councils and their implications or 'trade-offs' to consider.

The Issues and Options Paper and engagement activities were promoted broadly in the community through a webinar, direct mail, the Shire's Participate Hepburn online engagement platform, and Council's other online and print communications channels.

A total of 689 people visited the Participate Hepburn consultation webpage and the Issues and Options Paper was downloaded 158 times. Approximately 220 people provided feedback through surveys, pop-ups, meetings, written submissions, interviews and sharing lived experience stories.

The engagement was successful in reaching participants with a broad range of perspectives and relationship to the issue, such as landlords, businesses and service providers, community organisations, housing providers and community members with various housing situations. However, younger voices were significantly less represented (0-19 years), as were those for whom English was their second language and Aboriginal and Torres Strait Islander people.

Geographically, there was a high-proportion of participants from Birch Ward (over 50%) which includes Daylesford and surrounds, and lower-levels of participation from other Wards within the Shire, particularly Cameron Ward which includes Clunes and surrounds (4.1%). This is not unexpected given the demand for housing is being acutely experienced in Daylesford and Hepburn Springs where the visitor economy drives the demand for short-stay accommodation (for visitors) and long-term housing (for people working in the visitor economy).

Key findings

The key findings from the Stage 1 consultation are summarised below.

Housing issues and the impact

- The majority of participants (55.6%) were 'Extremely concerned' about the availability and cost of housing in Hepburn Shire. Overall, more than three-quarters of participants had a moderate or higher level of concern, and 16% had only slight or no concerns.
- The top three concerns were:
 - Having enough workers to deliver services in the community (51%)
 - The impact on local shops and businesses (46.5%)
 - Keeping a mix of different people in the community (42%)
- More than one-fifth of respondents had personal housing concerns, 16.6% were concerned about being able to downsize and stay living locally, and 11.5% were worried their adult children wouldn't be able to move out and stay living in the area.
- **Rental housing is insecure and there is a lack of supply** – the lack of rental properties was a dominant theme. Participants reported that tenancies are insecure and that low supply meant they would struggle to find another rental property in the area.
- **Rental properties are unaffordable** – people noted the high and increasing cost of rental prices in Hepburn Shire and that the increasing costs of living in the Shire is impacting their housing choices and may force them to leave the area.
- **Housing is inappropriate for needs** – respondents reported that weren't enough large rental properties for families, others reported that there aren't enough affordable properties for young people and people downsizing including smaller properties (i.e. medium and higher density)
- **Mortgage, rates and cost of living pressure** – some property owners expressed concerns about the high cost of rates, mortgage payments and other cost of living expenses. Some reported using their properties for short stay accommodation to help cover the high cost of housing payments.
- **The impact of short-stay rental accommodation and vacant properties** – some people felt the lack of housing supply was due to the high number of short-stay rental accommodation properties. One person reported a high concentration of vacant properties in their street. But other respondents noted it was important that property owners can make choices with their investments.
- **Land-use planning concerns** – some people expressed concerns that Council planning processes were inhibiting housing development.
- **Impact of housing issues on businesses and services** – of the 21 participants that shared a local business perspective, most expressed difficulty attracting and keeping staff (or students). They felt it was because local housing was unaffordable, lower in quality than other regions and there was a lack of smaller, low maintenance housing types. Staff are travelling from outside the Shire or working remotely because they couldn't get local housing. Some businesses noted the costs and availability of services are rising as a result of lower supply of staff in the area.

Actions that councils can take

The 'Home in Hepburn Shire: Issues and Options Paper' outlined three broad types of action that councils could take to help increase the availability of affordable housing:

- Advocating to others for action (eg, other levels of Government, local property owners)
- Using the planning scheme
- Bringing key partners together and providing incentives

Through Stage 1 engagement, participants were asked to respond to questions, options and potential trade-offs related to each of these action types.

Overall, when asked to choose just one, people ranked the actions as:

1. Partnerships and incentives (50% of participants)
2. Using the planning system (33.6%), and
3. Advocating to others for action (16.43%).

Partnerships and incentives

The most support (81.4%) was expressed for Council making land it owns available for Affordable (Social) Housing, however the amount of support dropped when asked whether housing was generally as important as other community uses for Council land.

There was also a generally high amount of support (78.3%) for Council using its resources to set up partnership opportunities.

There was a mixed response (level of support / do not support) in relation to Council providing financial incentives to encourage a change from short-stay to long term accommodation and it appeared to be considered a contentious option.

Mixed views were also expressed for whether Council should provide funds for programs or projects that help people find and stay in housing

Using the planning system

More than 68% of respondents expressed agreement that Council should require developers to contribute to subsidised Affordable Housing (through money, land or housing), even at the risk of making development less financially viable. However, one in five respondents expressed disagreement (21.3%).

In terms of where additional housing should be accommodated, there was a preference for within existing town borders rather than extending towns into bush and farmland.

Respondents were more supportive of additional development if it was guaranteed to support those who need it. Three-quarters of people expressed agreement that they would support additional housing if guaranteed for people working in local businesses.

Almost 65% of people expressed support for small apartment or townhouse homes in their town to provide more housing options, but almost a quarter of people disagreed with this idea.

There were more mixed views when it came to incentivising Affordable (social) Housing development through the planning scheme. Half of respondents expressed agreement with Council reducing the number of on-site car parks required to help more Affordable (social) Housing get built, but a third expressed disagreement.

Advocacy priorities

Overall, advocacy for State/Federal Government for funding for social housing, crisis and emergency accommodation emerged as the most important advocacy option. It was the only one to be ranked in the top three by a majority of respondents (67%).

The second highest ranking option (48.2%) was advocacy to Hepburn Shire property owners to offer long-term leases instead of short-term rentals. Conversely, advocacy to Hepburn Shire property owners about maintaining lower rental prices, ranked far lower (28.8%).

The third and subsequent ranked items were a range of options for advocacy to State Government including: the provision of land for social housing (46.6%), key worker housing (42.9%) and housing support services (36.7%).

Participant ideas

A total of 104 participants provided additional ideas about how Council and/or the community could encourage more housing options in Hepburn Shire. These are explored in detail in Section 4.3 of this report.

The ten most common themes arising from the statements (in order) were:

- Regulate short-stay rental accommodation
- Land-use planning - facilitate infill/second dwellings i.e. maintaining character of the town
- Facilitate tiny houses/small houses - via land / planning
- Rates - incentives for Affordable Housing and long-term rental accommodation
- Opposition to actions that would disincentivise short-stay rental accommodation
- Land-use planning - improve processes to facilitate development
- Direct investment in Affordable Housing by Council – land
- Facilitate key worker housing
- Land-use planning - facilitate apartments/higher density
- Advocacy - funding for Affordable Housing (not delivered by Council)

The most frequently reported ideas (25%) related to regulating the prevalence and impact of short-stay rental accommodation. People suggested a tax, levy or cap/limits, such as a per night/per property tax or increased rates. It was suggested that any levies collected should be used to fund or incentivise Affordable (Social) Housing or long-term rental accommodation.

But in contrast, 11% opposed the use of disincentives for short-stay rental accommodation. Some commented that taxes or levies would have a detrimental impact on tourism and the economy. Others felt that incentives would be more effective than disincentives.

A frequently reported idea was for Council to facilitate the development of second dwellings and infill development, tiny homes, or relocatable homes and caravans as a way of providing more lower-cost housing and smaller homes. Many of these respondents emphasised that this type of development should maintain the character of the towns. Some respondents supported higher density development in town centres while others warned against them.

People also suggested making Council planning processes more efficient to support housing development.

There were also ideas around providing housing options for people who work locally including reduced rents and apartments for hospitality workers.

2. PROJECT AND ENGAGEMENT OVERVIEW

Project background

Hepburn Shire is experiencing significant housing pressure. There are many people (including middle income earners) who currently live, or aspire to live, in Hepburn Shire who are not able to access appropriate and affordable housing to support work and other connections. This includes people on lower incomes but also those in key jobs that are needed to support services and local employers like hospitality, tourism, farm workers, nurses and other carers.

The population has grown by 1,274 in the last 5 years, an 8.3% increase, and is forecast to continue growing. Rents have increased by 51% over the past 10 years and the median rent in Hepburn Shire is \$295 per week. Increased spending on housing leaves more people unable to pay for basic needs like food, utilities, or medical expenses.

In the year to June 2021, there were 20% (or 58) fewer private rental listings in Hepburn Shire which also increases competition for available housing and vulnerable people often miss out. In some cases, people have a home, but the house is not appropriate for their needs. This could be overcrowding, people living far away from their work, in unsafe family environments or people living in houses that are missing the basic facilities they need.

In April 2021, Hepburn Shire Council (HSC) adopted an [Affordable Housing Policy](#) in which it acknowledged that access to safe and affordable housing was an emerging and critical issue for the community. Council committed to developing an Affordable Housing Strategy and Action Plan (AH Strategy) in consultation with the community.

The affordable housing issue throughout Hepburn Shire is complex because the Shire has a diversity of towns that each have a unique community and different housing pressures. Addressing the issue is also complex as there are many stakeholders who have a responsibility for housing and affordability including:

- Federal, State and Local Government
- Community housing sector
- Developers
- Lending institutions.

HSC has engaged Hornsby & Co. and Activate Consulting to assist in developing the AH Strategy, in consultation with the Hepburn Shire community.

Through the AH Strategy, Council will identify actions it can take to make a difference including advocacy, partnerships, land-use planning mechanisms and potentially direct investment.

This Engagement Findings Report presents the first stage of community feedback which will inform a second stage of community engagement (an Affordable Housing Solutions Forum) and the draft AH Strategy.

Engagement purpose and objectives

The community engagement process has been designed in three stages, to consult and involve the community through the Strategy development process. These include:

- Stage 1 – Understanding community experiences and exploring options, supported by an Issues and Options Paper (November/December 2022)
- Stage 2 - Testing and prioritising potential actions (February 2023)
- Stage 3 – Release of the Draft AH Strategy and Action Plan for feedback (April 2023)

The purpose of the engagement is to gather local input and evidence to inform the development of the AH Strategy and Action Plan and build community awareness and support for its implementation.

Through the engagement we want to:

- Ensure all key identified priority stakeholders and community cohorts have the opportunity to provide input
- Gather sufficient local data and intelligence to inform the Strategy and Action Plan
- Build awareness and understanding about the issue, and different lived experiences and perspectives, to dispel misconceptions and build support for actions
- Openly and honestly test trade-offs, set clear expectations about what Council can and can't do, and explore innovative local solutions.

Stage 1 engagement focussed on raising awareness about the project and building an understanding of the housing issue and local impacts, understanding the community's level of concern and experiences, and seeking the community's views on potential actions, including trade-offs.

Engagement approach and participation

Stage 1 of the engagement program ran from Monday 7 November to Thursday 15 December 2022.

To support this stage, the '[A Home in Hepburn Shire: Issues and Options Paper](#)' was developed which explored housing issues in Hepburn Shire and outlined various options that councils have to help address those issues. The document explained the impact the issue is having on the community, outlined the affordable housing need in the Shire, actions councils can take and ways the public can have input on the AH strategy. It was developed using lived experience case studies from existing community networks and acted as a base for information and discussions. The Issues and Options paper was available on the Participate Hepburn website and in hard-copy at libraries, customer service locations and at all in-person engagement activities.

The main form of capturing feedback was via a survey, available on the Participate Hepburn engagement web platform and in hard copy (refer to Appendix A). In person engagement activities, including discussions at existing meetings and pop-ups, utilised key survey questions as interactive feedback options. A Community Information webinar was also held early in the engagement period to provide the opportunity for community members to hear more about the consultation and ask questions. This was recorded and made available online for people to watch.

In total there were approximately 220 participants in the engagement across a variety of online and in-person activities. These are outlined in the table below.

Table 2.1 Engagement methods and participation

Engagement Methods	Participation Count
Survey	202 (online and hard copy)
Community Information Webinar	5 (live attendees)
In-person pop-ups <ul style="list-style-type: none">• Glenlyon (23/11)• Creswick (24/11)• Clunes (28/11)• Trentham (30/11)• Daylesford (1/12)	9

Discussions at existing meetings <ul style="list-style-type: none"> Gender Equity Advisory Committee (9/11) Public Health and Wellbeing Plan Working Group (via email) Reconciliation Advisory Committee (via email) Disability Advisory Committee (via email) LGBTIQA+ Advisory Committee (via email) 	21
Interviews with landowner/ short term private accommodation managers	2
Lived experience stories submitted	6
Written submissions received	3
Total <i>*Some people participated in more than one activity</i>	248* Approx 220 participants
Expressions of Interest received for the Affordable Housing Forum (February 2023)	42 (online and hard copy)

Engagement reach

HSC used a variety of methods to promote the Stage 1 engagement opportunities to try and give people of all perspectives and backgrounds in Hepburn Shire the opportunity to participate.

In total, promotion of the engagement reached over 10,000 people through Council's communications channels, and in addition achieved significant media coverage, further promoting the consultation across the region. This is outlined in more detail in the table below.

Table 2.2 Promotional methods and reach

Promotion methods	People Reached
Participate Hepburn online consultation webpage	689 (unique visitors)
Issues and Options Paper	158 (downloads) 65 (hard copies)
Community Information Webinar with Q&A	27 (watched recording)
Direct mail to non-resident property owners	1620 letters sent
Displays at libraries and council facilities	4 facilities
Postcards distributed	125
Hard copy surveys distributed	150
Hepburn Shire Council website	24 (unique visitors)
Shire newsletter	November edition with 3,986 recipients
Social media	4 posts with 2,957 reach
Media coverage	12 mentions including Power FM, ABC Ballarat, The Local, Bendigo Advertiser (15,000+ readership), The Advocate Hepburn (7,000 distribution), WIN News, The Courier (16,000+ readership)

3. WHO WE HEARD FROM

Approximately 220 individuals provided feedback throughout the engagement period. Many participants were also members of one or more local stakeholder or community groups involved in local housing, accommodation or community support services.

This section describes the profile of the participants. Not all engagement activities were able to capture the same participant information, so this profile is based on the 202 survey participants, unless stated otherwise.

Participants

As shown in Figure 3.1, just over half of all participants (53.1%) lived in Birch Ward, which includes Daylesford and surrounds, and 29.1% were from other parts of the Shire. Cameron Ward, which includes Clunes and surrounds, had the smallest number of participants with 4.1% (9 participants).

While there were more females (54.5%) that participated than other genders (males 41.6%, non-binary 2%) as shown in Figure 3.2, this is considered a reasonably good balance as surveys typically attract higher levels of female participation.

In terms of age, Figure 3.3 shows that younger voices were less represented, with only 16.4% of participants aged under 40 years, and just 1.5% aged 19 or younger. Just over half (52%) of participants were 40-59 years, and the 60-79 year age group was also well represented (30.7%). There were only 2 participants aged 80+ years.

Figure 3.4 shows that 44.9% of participants reported one or more diversity characteristics, however there were very few respondents for whom English was their second language (3%), or who identified as Aboriginal or Torres Strait Islander (0.5%).

The consultation successfully attracted participation from a diversity of household types and income levels, including single, couple and family households, see Figures 3.5 and 3.5.1. This includes households on very low to moderate incomes (31.8%) who may possibly be eligible for subsidised Affordable Housing (subject to asset and other assessments). Couple households with high to very high income were the most represented with just under a third of participants (32.8%).

Over half of all participants (57.4%) lived in their own home in Hepburn Shire and 10.4% were renting. A total of 18.3% worked locally, 15.8% owned or ran a local business, and 18.3% worked in or ran a local business in sectors with key workers: hospitality, tourism, farm work, health or social work (see Figure 3.6).

Figure 3.7 shows many participants (39.6%) owned one or more properties in Hepburn that they don't live in and may also be part of the 17.2% of participants that lived outside the Shire (Figure 3.1). Of these 80 participants, most (58.8%) rented the property out for short-stay accommodation, 43.8% used them as a holiday or second home. Around a quarter (26.3%) were leased full-time and very few were vacant (1.3%).

Further analysis shows that of these 80 participants:

- 25% rented their property out for short-term accommodation and used it as a holiday or secondary home; and therefore
- 33.3% used their property exclusively for short-stay accommodation*, and
- 10% used their property exclusively as a holiday or secondary home.

*As noted in Section 4.4, this will include a mix of property owners who plan to live in the home in the future (eg, retirement) and others who have established tourist accommodation as an ongoing business.

Figure 3.1 Residential location

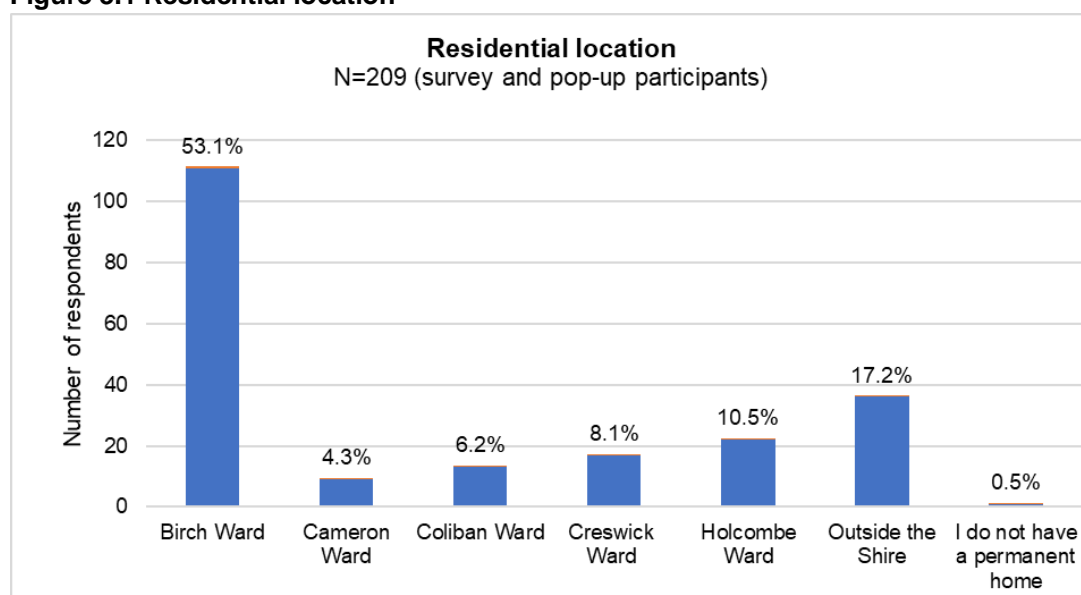


Figure 3.2 Gender

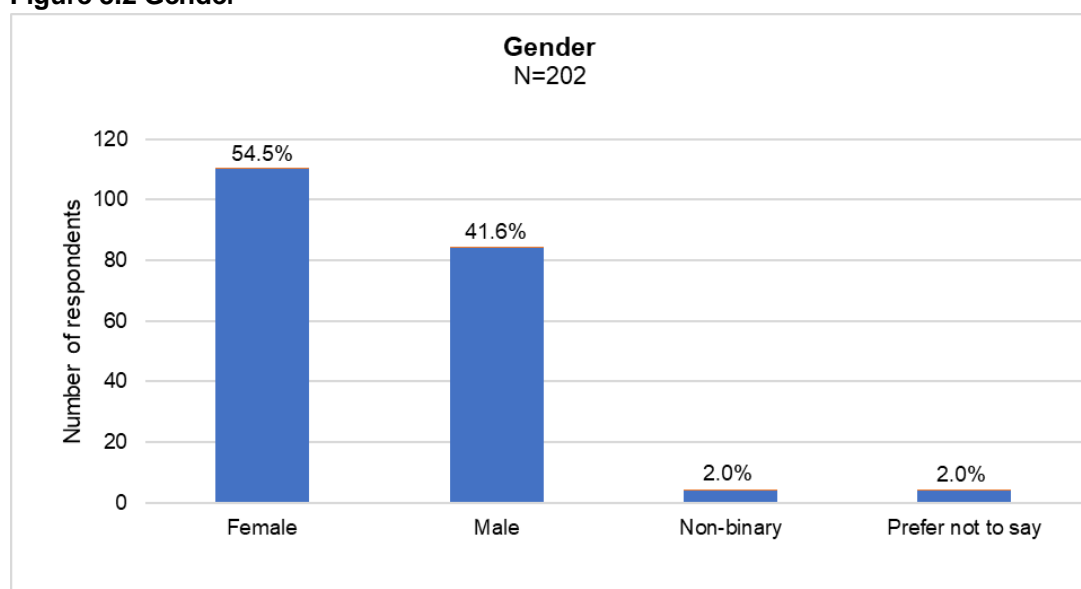


Figure 3.3 Age

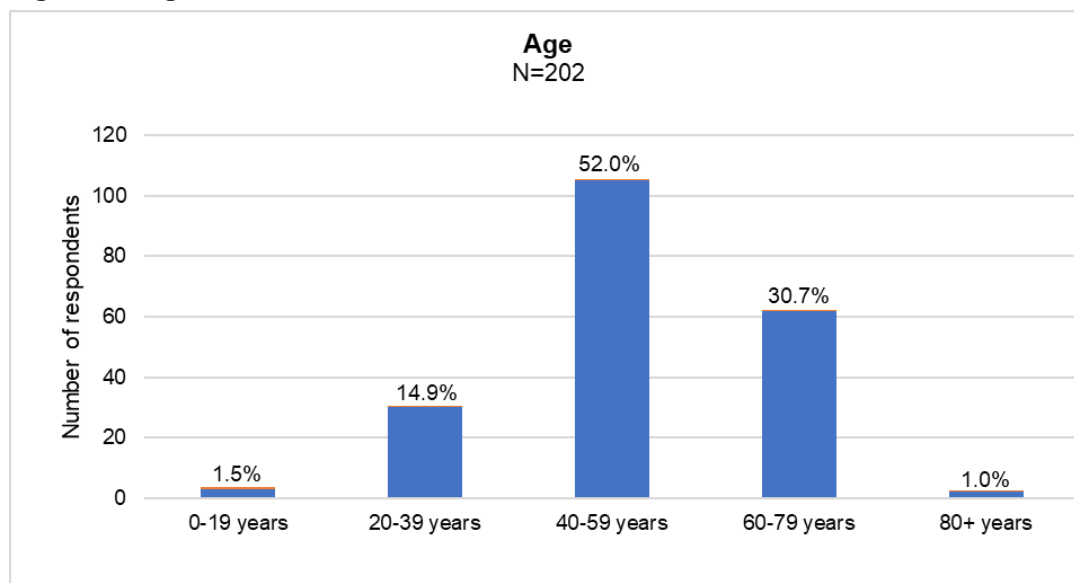


Figure 3.4 Diversity characteristics

Respondents could select more than one response.

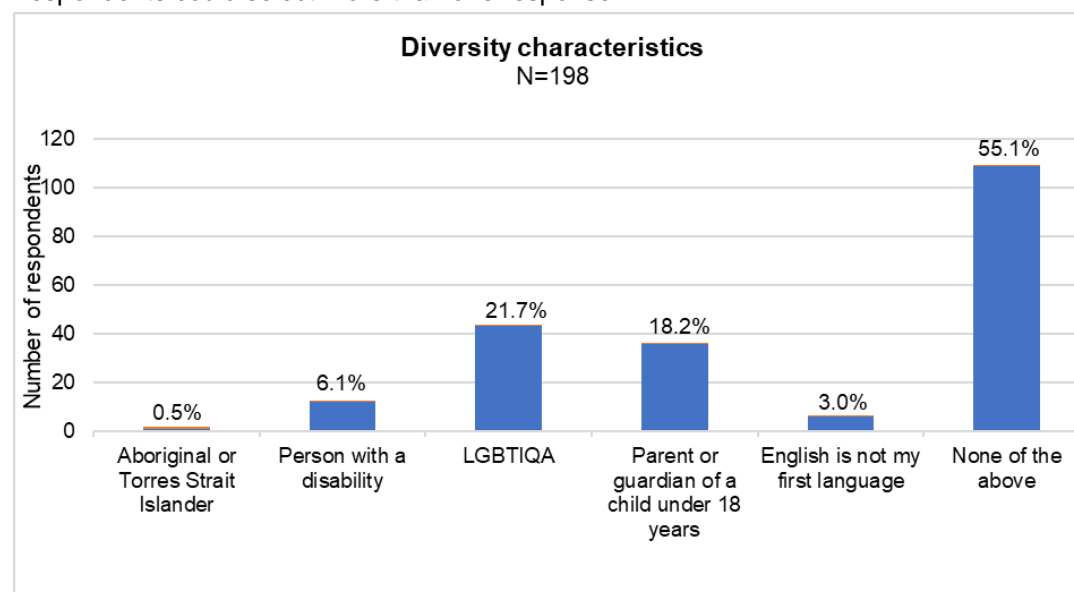


Figure 3.5 Household income

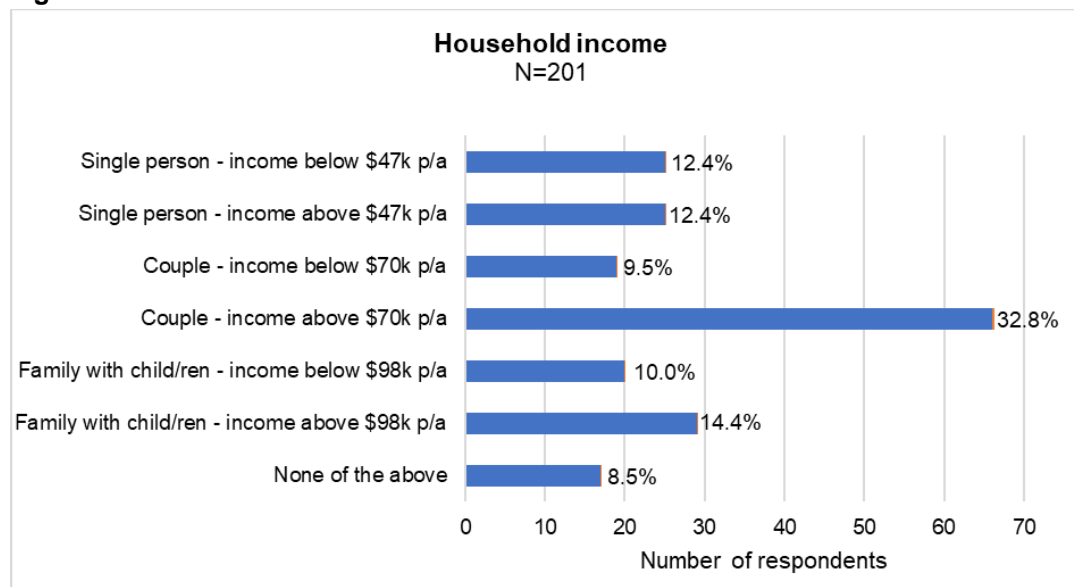


Figure 3.5.1 Potential eligibility for Affordable Housing

Households on a very low to moderate income may be eligible for subsidised Affordable Housing (subject to asset and other assessments).

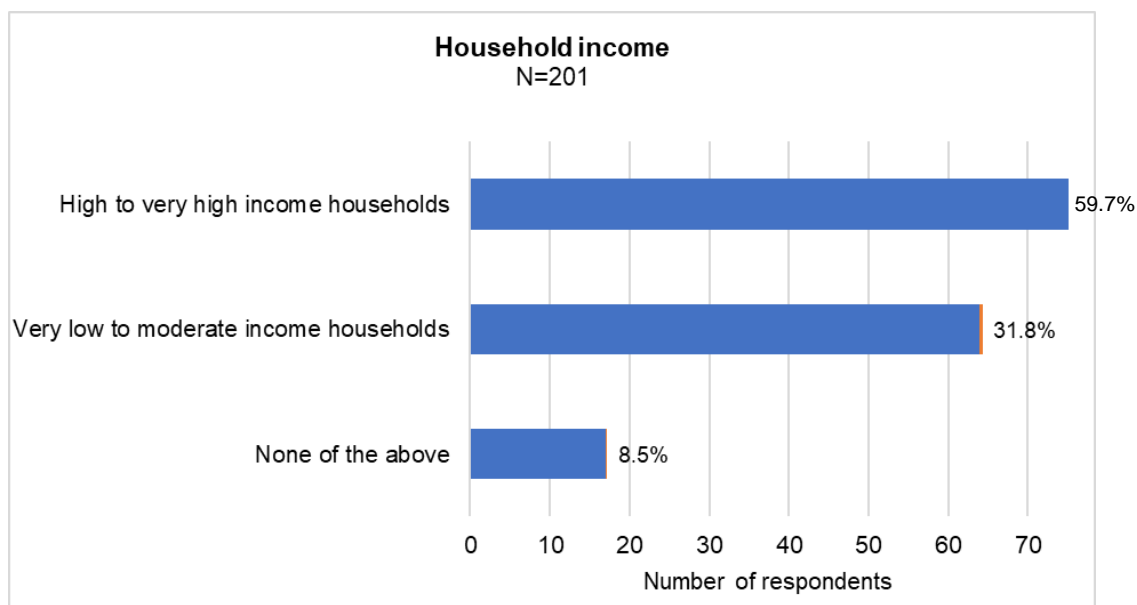
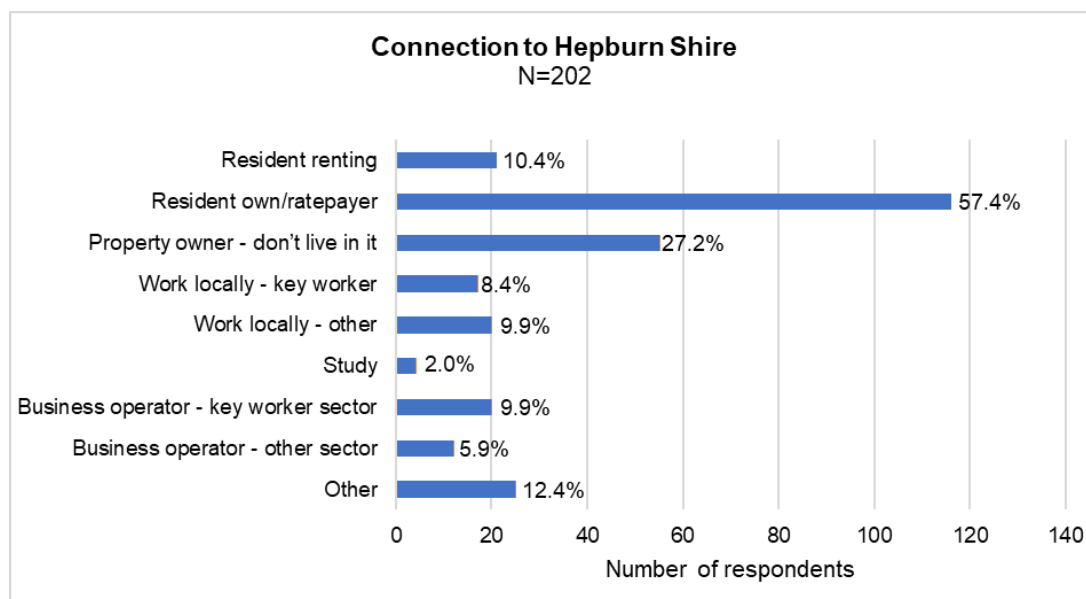


Figure 3.6 Connection to Hepburn Shire

Respondents could select more than one response.



Note: As shown in Figure 3.8 below, it is reasonable to assume that 80 or 39.6% of respondents own properties in Hepburn that they don't live in, and that the response shown above is underrepresented.

'Other' responses:

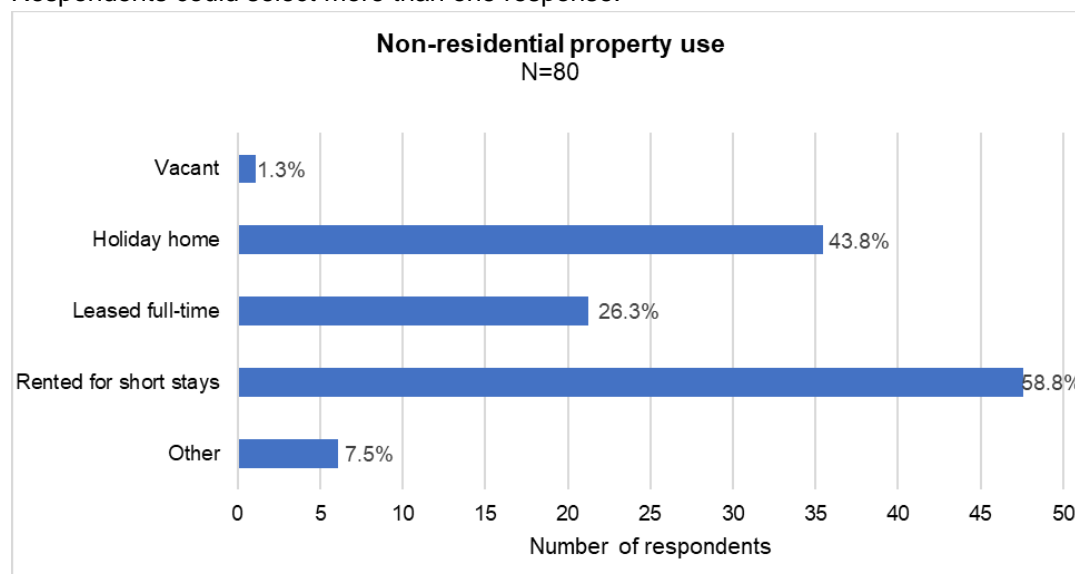
- Live here – rent free with family (4)
- Live here – long-term resident (2) and in housing stress for 10 years (1)
- Live here – rent out spare rooms as holiday accommodation
- Former resident – lack of housing forced move out of Hepburn Shire
- Property owner – live in part time
- Property owner – long-term
- Own land/currently building (6)
- Self-employed
- Retiree
- Work here - from home
- Involved in community

Figure 3.7 Non-residential property use (ratepayers that do not live in their property)

It is noted that only 55 (27.2%) of respondents indicated they were a 'Property owner in Hepburn Shire that they don't live in' (see Figure 3.7), yet a total of 80 respondents answered the question *'If you own a house/s in Hepburn Shire that you don't live in, is that property/ies'* and selected from the provided options.

Based on this it is reasonable to assume that 80 or 39.6% of respondents own properties in Hepburn that they don't live in, and that the responses in Figure 3.7 are underrepresented.

Respondents could select more than one response.



'Other' responses:

- Under construction or vacant land (3)
- Friend/family member lives in it
- Accommodation provided to a worker
- N/A

Stakeholder and community groups

Stage 1 engagement was successful in reaching a variety of key stakeholder and community groups with an identified interest or involvement in local housing, tourism accommodation or community support services. Representatives from 19 related groups participated including:

- AirBnB
- Belle Property
- Central Highlands Rural Health
- Council Advisory Committees:
 - Disability
 - Gender Equity
 - LGBTIQ+
 - Public Health and Wellbeing
 - Reconciliation
- Daylesford Country Retreats
- Daylesford Foundation
- Daylesford Neighbourhood Centre
- Daylesford Rotary
- Good Grub Club
- Grounded Community Land Trust Advocacy
- HomeShare Project
- Safe Place Homes Inc
- Trentham Neighbourhood Centre
- Uniting Church
- WINC - Older Women in Cohousing Inc

4. FINDINGS

4.1 Local housing needs and impacts

The majority of participants (55.6%) were 'Extremely concerned' about the availability and cost of housing in Hepburn Shire. Overall, more than three-quarters of participants had a moderate or higher level of concern, and 16% had only slight or no concerns (see Figure 4.1.1).

The top three concerns cited (see Figure 4.1.2,) related to impacts on the broader community, particularly key workers, including:

- Having enough workers to deliver services in the community (51%)
- The impact on local shops and businesses (46.5%)
- Keeping a mix of different people in the community (42%)

"I am a young renter. I have great history, stable employment, am respectful tenant with fantastic references. But the simple fact that there is so many people in need of a house that if I had to move I might simply become homeless as the click of the markets fingers scares the absolute daylight out of me." – Local key worker currently living outside the Shire, Non-binary, 20-39 years of age

More than one-fifth of respondents had personal housing concerns, 16.6% were concerned about being able to downsize and stay living locally, and 11.5% were worried their adult children wouldn't be able to move out and stay living in the area.

"2 weeks ago the real estate agent came over to appraise the house value for the owner. If they put it up for sale I'm basically homeless" – Female, 40-59 years, Birch Ward

Some of the 'other' concerns raised related to the sustainability, vibrancy and growing inequality of the Shire (particularly Daylesford area) and many expressed concern for others seeking housing.

"Expensive or no houses available makes buying houses in country towns for rich and we lose youth buying in and elderly being able to stay" - Female, 40-59 years of age, Creswick Ward

Figure 4.1.1 Level of concern about availability and cost of housing in Hepburn Shire

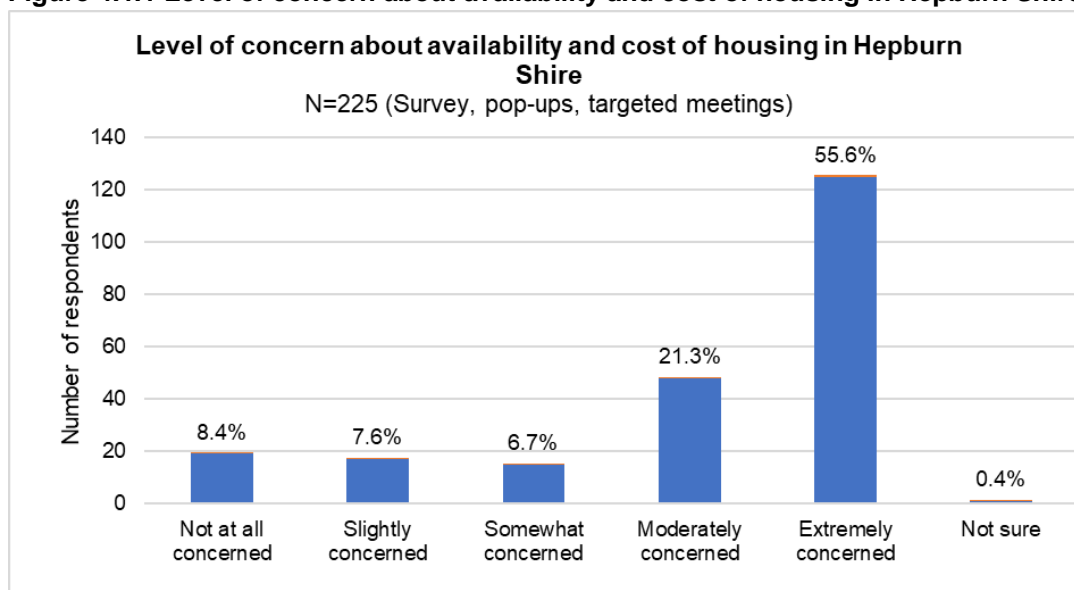
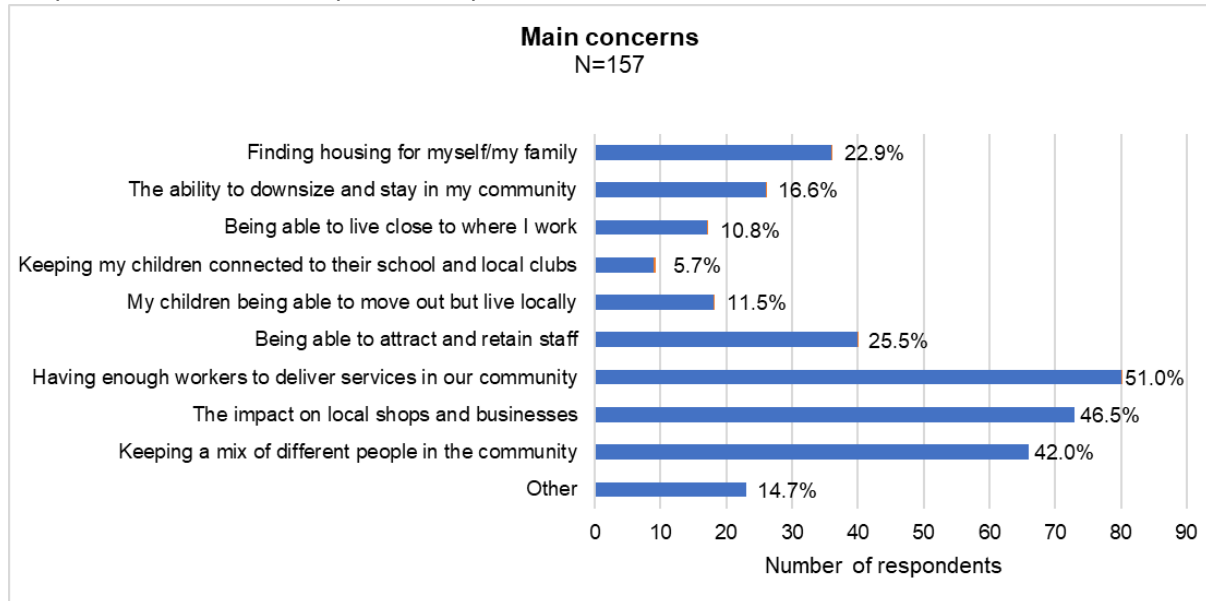


Figure 4.1.2 Main concerns

Respondents could select up to three options.



'Other' responses:

- Affordable housing is a basic human right
- Concern for others seeking housing (5), including hospitality workers
- Local families being able to stay in the area/ losing friends who have to move
- Being able to move out of parents home and afford to stay in the community
- Being able to downsize and stay local
- Ensuring a vibrant and connected community and not just holiday rental properties (3)
- Current impediments to diverse innovative land and house sharing
- Visitors are not involved with community groups or services
- Planning processes and regulations too restrictive (2)
- Homelessness is a high issue
- Expensive rentals
- The number of vacant/hardly used houses
- Finding suitable accommodation for adult child with disability
- Growing inequity in the community (2)
- The ongoing sustainability of the community (2)

4.2 Local experiences

Personal experiences of housing stress

A total of 58 participants shared a personal experience of housing stress (55 survey respondents, 3 Participate Hepburn respondents).

Of the 55 survey respondents, most were women (31 women, 22 men and 1 identified as non-binary). Around half (30) had either personally experienced rental stress or housing insecurity, or they shared experiences of a family member or friend. A further three had experienced temporary rental housing stress and insecurity while they were building, renovating or repairing their property.

The main themes expressed were the lack of rental supply in Hepburn Shire which is driving housing insecurity, and the increasing cost of rental payments. Another common theme was the high cost of rates, mortgage payments or other cost-of-living expenses in Hepburn Shire.

Rental housing is insecure and there is a lack of supply

The lack of rental properties was a dominant theme. Participants reported that tenancies are insecure and if their current lease was terminated they would struggle to find another rental property in the area. Respondents who were renting expressed concern that rental properties are being sold due to increasing property values which is reducing supply. Other respondents simply could not find a rental property and are now couch-surfing or living outside the Shire.

"I lost my rental [in Hepburn Shire] of 12 years when the landlord decided to cash in on the huge increase in property values. Me and my 14 year old daughter spent 8 months homeless as a result of there being virtually no long term rentals available for the many people looking..." – Female, 40-59 years, currently living outside the shire

"I have suffered housing stress for nearly 10 years. Bouncing from rental to rental, being sold out from under me. Knocked back on rentals constantly, struggling to find one to fit my family or that will accept me as a tenant. I am able to pay rent (even if it means going without food, fixing my car or medical needs), have an exemplary rental history, strong ties with the local community having been an active member of my children's kinder and schools for over a decade now. I went to school here myself and my family live within the shire..." – Female, 20-39 years, no permanent address

"One of our adult children, who had been renting a house in Creswick, has recently had to move back home with us as the property he lived in was being sold. He is on DSP [disability support pension]... If we had not been able to provide space for him, he would have been left homeless ..." – Cameron Ward Property Owner

"I have had to stay on couches until something comes up. I have privately boarded only [through] word of mouth my past 2 homes". – Female, Birch Ward, 20-39 years

Rental properties are unaffordable

The high and increasing cost of rental prices in Hepburn Shire was expressed by nine respondents. Others expressed concerns about the increasing costs of living in the Shire which is impacting their housing choices and may force them to leave the area.

"Jobseeker is impossible to cover rent. Landlords are also hard to deal with if unemployed. It's a battle to find anything under \$350/ week." – Female, 40-59 years, Coliban Ward

“Crazy rent increases & if I had to leave my current rental there is nothing in my price range. I would need to move away from town and as I don't drive I would also need to leave my job as I would have no way to attend my shifts.” – Male, 20-39 years, Birch Ward

Housing is inappropriate for needs

Two respondents reported that weren't enough large rental properties for families. Others reported that there aren't enough affordable properties for young people and people downsizing including smaller properties (i.e. medium and higher density) which is having a detrimental impact on the diversity of the population.

“Grew up in Creswick in over-crowded house because very limited rental supply of larger 4 bedroom home. But family was committed to the area and stayed in what very limited accommodation was available and could source when new rental was needed.” – Female, 20-39 years, now living outside the shire.

“I grew up in Daylesford but I could never come back when I am settling down because of the prices. And even if I could I would have no one in my demographic” – Female, 0-19 years, Birch Ward

Mortgage, rates and cost of living pressure

Some respondents (6) who were property owners expressed concerns about the high cost of rates, mortgage payments and other cost of living expenses. Of these respondents, two reported using their properties for short stay accommodation to help cover the high cost of housing payments. One respondent reported concern about an aging family member who is finding it hard to pay for housing on an age pension.

“Given the dramatic increase in rates and all costs in Hepburn Shire we are not sure we will be able to continue to afford to live here as we age and move out of the workforce.” – Property owner, 60-79 years, Coliban Ward

“Main housing stress is coming from mortgage - using my home as a short stay to assist with mortgage repayments - other home is 100% available on short stay accommodation”- Male, 20-39 years, Birch Ward

“The cost of rates, the cost of mortgage repayments and the knowledge that we won't be able to afford to get a bigger home for our expanding family.” – Female, 20-39 years, Creswick Ward

“I have a mother in law who is in her 80s and is finding it more and more expensive to remain in her home as she is only on the aged pension. The potential to loose (sic) her house is becoming more real as issues associated with her health are becoming greater. The family members do not have a significant ability to provide funds to her either.” – Male, 60-79 years, Birch Ward

The impact of short-stay rental accommodation and vacant properties

Some respondents (4) felt the lack of housing supply that was exacerbating their housing insecurity was due to the high number of short-stay rental accommodation properties. One reported a high concentration of vacant properties in their street. While other respondents felt it was important that property owners can make choices with their investments.

“Since Covid, rents have increased at least \$100 per week, if you can find a rental. It took over 18 months during Covid to secure a property and we were often unsuccessful with the property let to newcomers to the area. My husband works in Daylesford and my children attend the local high school. ... It is very frustrating to find no suitable permanent rentals here but if you search AirBnB

they list 300 plus available for holiday rental. Shameful.” – Female, 20-39 years, Birch Ward

“In our street in Clunes at least five houses are long-term unused.” – Male, 40-59 years, Coliban Ward

"I am concerned that the local government is trying to force the issue of inadequate low cost housing onto to hard working tax payers who should have the right to use their property as they wish. Hepburn Council should build low cost housing and not push this burden on to full tax paying people" – Male, 40-59 years, part-time resident property owner

“We own a 4br house in Daylesford that we purchased 2 years ago with a view to earn our retirement income from rental, either short stay or long term. We own the house in our superannuation fund, and we are self funded retirees. We depend on this income for our daily support such that we then do not have to rely on the pension system. We are not speculators seeking to make and grow wealth.” - Landlord with a property in Daylesford

Landlord concerns

Some respondents who were landlords of rental properties expressed concerns about the high cost of maintaining the property and difficulties with tenant management as a disincentive for offering long-term rental accommodation.

“Currently rent a property long term ... which from your issues paper is well below the median rent in the Shire. They are good tenants and have been renting the property for several years. The reality is however, that rent, after costs that have to be paid, is very poor return on investment and leaves us with little income to cover additional factors if something goes wrong, such as replacing heating, other ongoing maintenance etc.” – Birch Ward, Property Owner

“I am a landlord, well I should say a servant to renters. Most landlords I know have sold their rental properties as the laws have made it impossible to make any profit from renters. Whilst being compliant is one thing, but tenant's being allowed pets, repaint my house, trash it with little to no compensation has made this investment simply not worth the effort!” – Participate Hepburn respondent

“I struggled to find a good rental for myself and two children as a single parent wanting to live in Daylesford Hepburn....Over the past four years I have rented out my home however I've recently turned it into a holiday accommodation....I don't like how the community have turned against those who would like to do short-term accommodation and holidays stays. I don't think they realise how difficult it is being an owner and managing tenants, even when I have a Real Estate agent managing the place there is an unacceptable level of damage that I just can't afford to have any more....I have been on both sides of this situation and can appreciate the difficulty with rentals however I think owners need the opportunity to make choices with their investment.” – Property owner, Female, 40-59 years, live outside the Shire

Land-use planning concerns

Some respondents (8) did not report personal experiences of housing stress but did express concerns that Council planning processes were inhibiting housing development.

“My caretakers who have worked for me for 10 years now and rely on me for about 90% of their income have not been able to live locally for the last 2 years because of rental prices in the area. At the same time, we have home son (sic) very large lifestyle blocks which are restricted by Council planning from putting on a second dwelling which could solve this problem - all Council would need to do is make sure any additional building permission is granted for are in fact used for long term

rental - not short stay." Birch Ward Property Owner

"We bought a block of land in Daylesford and waited for over one year to have our planning application approved... We could have this house build already and ready to rent but the protracted procedure applied by Council prevented us... You first need to simplify and speed the procedure of development applications." – Female, 60-79 years, Birch Ward

Impact of housing issues on businesses and services

A total of 21 participants (19 survey respondents, 2 Participate Hepburn respondents) shared a local business/service perspective on how the housing issue is impacting them.

Of the 21 participants, 11 were from Birch Ward (Daylesford and surrounds), eight were from other parts of Hepburn Shire (spread across all Wards), and two were from outside the Shire.

Most respondents expressed difficulty attracting and keeping staff (or students). They suggested it was because local housing was unaffordable, lower in quality than other regions and there was a lack of smaller, low maintenance housing types.

'We can't recruit anyone as the housing in our shire is not the same comparison to what casual health, hospitality or retail employees would lease in the city we need low maintenance small units with balconies or courtyards'. – Birch Ward resident, 40-59 years

"Younger working people cannot afford to stay in Hepburn Shire. For example we had one good worker aged 30, whose family decided to move to Geelong because of a/ rent is too high here; b/ the standard of the places available for rent are very poor... This has happened quite a few times. Two other workers moved to Ballarat." –Holcombe Ward resident, 60-79 years

"Many families have had to move closer to Ballarat because of the limited availability of rental properties. They commute for a while, but it's a challenge and they end up having to move their children to a closer school. Over the last 3-4 years this has impacted our enrolments" - Principal, Creswick Primary School.

Others expressed that staff are travelling from outside the Shire or working remotely because they couldn't get local housing.

"I use to have local cleaners to clean the rooms in my property and now need to get cleaners from Ballarat as they can not afford to live in Daylesford" –Birch Ward resident, 40-59 years

Some businesses noted the costs and availability of services are rising as a result of lower supply of staff in the area.

"We operate an accommodation business and find that specialist contract cleaning (eg carpet cleaning) and repair or maintenance service providers (plumbing or electrical) usually require longer wait times for appointments - usually because there are limited qualified employees available." – Birch Ward resident, 60-79 years

"The cost of housing (rentals) in the area is in turn pushing up the price of services - which in turn has a direct hit on many small businesses and short-stay accommodation providers - who are already struggling to make a profit. The Shire as a whole has a vested interest in allowing smaller and cheaper accommodations to be constructed to meet long-term rental demand." - Birch Ward resident, 40-59 years

A tourism accommodation provider and a real estate agent noted the challenge they have trying to accommodate local residents in need.

“When it comes to our business, we are just trying to survive. We expected to provide tourist accommodation but instead we have local people begging for accommodation. We are trying to do what we can to help, but the Shire needs more housing” – Hepburn Shire accommodation provider.

“Unfortunately my team are facing daily requests from local businesses & individuals desperately seeking small low maintenance long term rentals to continue employment at our local shops, cafes & our health services. The issue is increasing every week.” – Hepburn Shire real estate agency

4.3 Actions Council should take

The 'Home in Hepburn Shire: Issues and Options Paper' outlined three broad types of action that councils could take to help increase the availability of affordable housing:

- Advocating to others for action (eg, other levels of Government, local property owners)
- Using the planning scheme
- Bringing key partners together and providing incentives

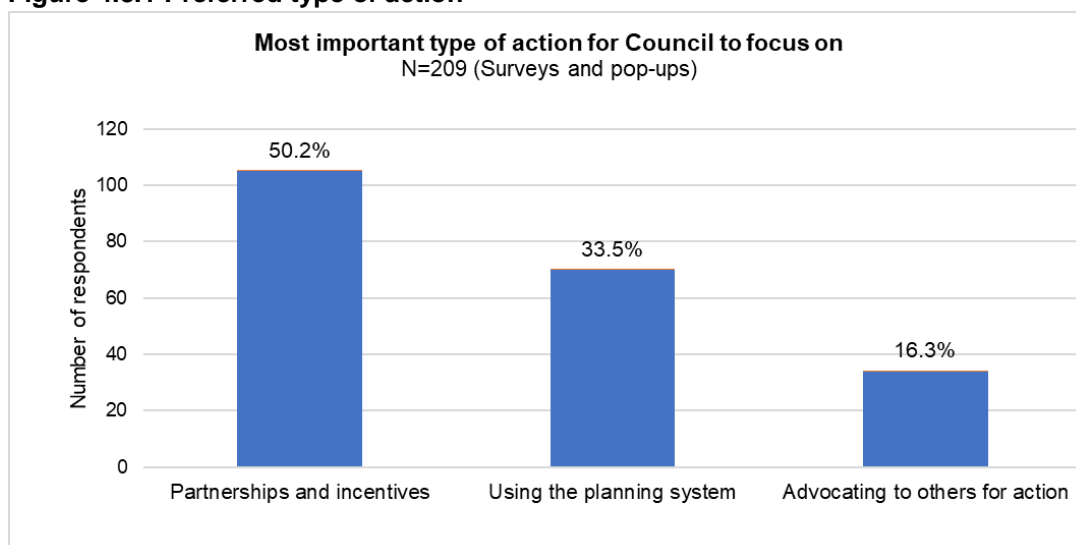
Through Stage 1 engagement, participants were asked to respond to questions, options and potential trade-offs related to each of these action types. This section presents this feedback.

"Our community could become known for active, public, supportive efforts in collaboration with Council to generate a huge range of new and ready ideas to make Hepburn Shire on the forefront of 'housing first' and homes for all. First: use better what we have; second: add small options (secondary dwellings); third: make new affordable, long term rental housing easier to get underway..." – participant from a local key stakeholder organisation.

Overall preferred type of action

Overall, when asked to choose just one, the most important type of action nominated for Council to focus on was 'Partnerships and incentives', selected by 50% of participants. A third (33.6%) selected 'Using the planning system' and 'Advocating to others for action' was least prioritised (16.43%).

Figure 4.3.1 Preferred type of action



Partnerships and incentives

The survey provided six statements related to partnerships and incentives and asked respondents to state their level of agreement with each statement (Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree).

"Within the past year I was made unexpectedly homeless. I'd never been in that situation before and it was a scary predicament. It was extremely difficult to find a place and I eventually found a share house which I'm very happy with. I'm one of the lucky ones as I didn't have to move out of the area. There really should be a limit on the number of houses people own + limit the amount of airbnb's which is one of the main causes of housing insecurity." – Birch Ward, Female, 40-59 years of age

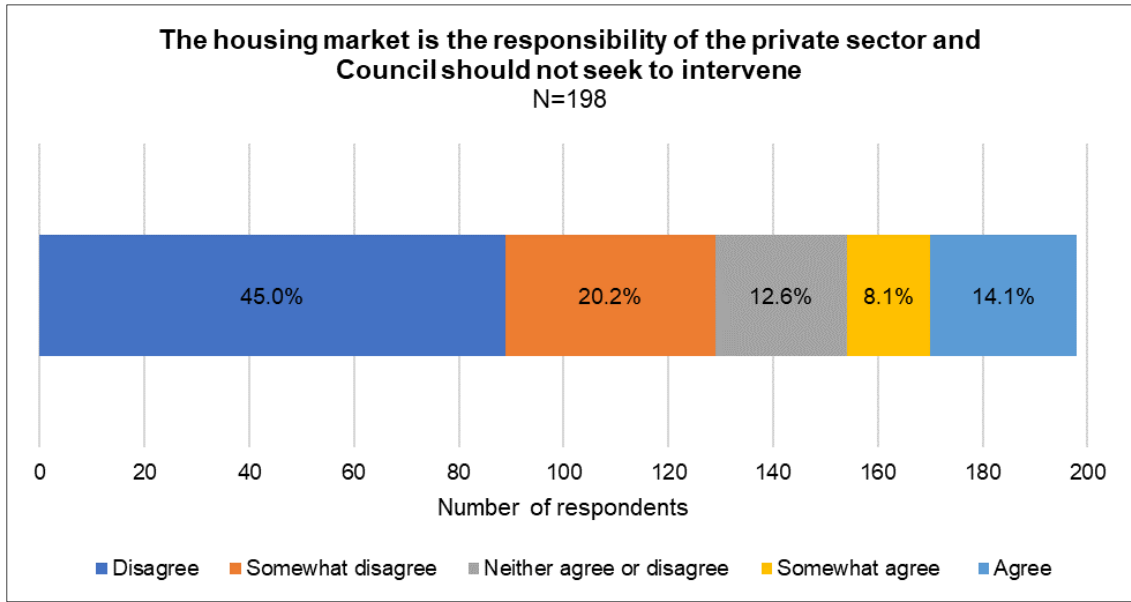
Overall respondents were supportive of Council intervention in the housing market. While 22.2% of respondents expressed some level of agreement (somewhat agree and agree) that Council should not seek to intervene in the housing market, 65.2% expressed disagreement. A further 12.6% were unsure.

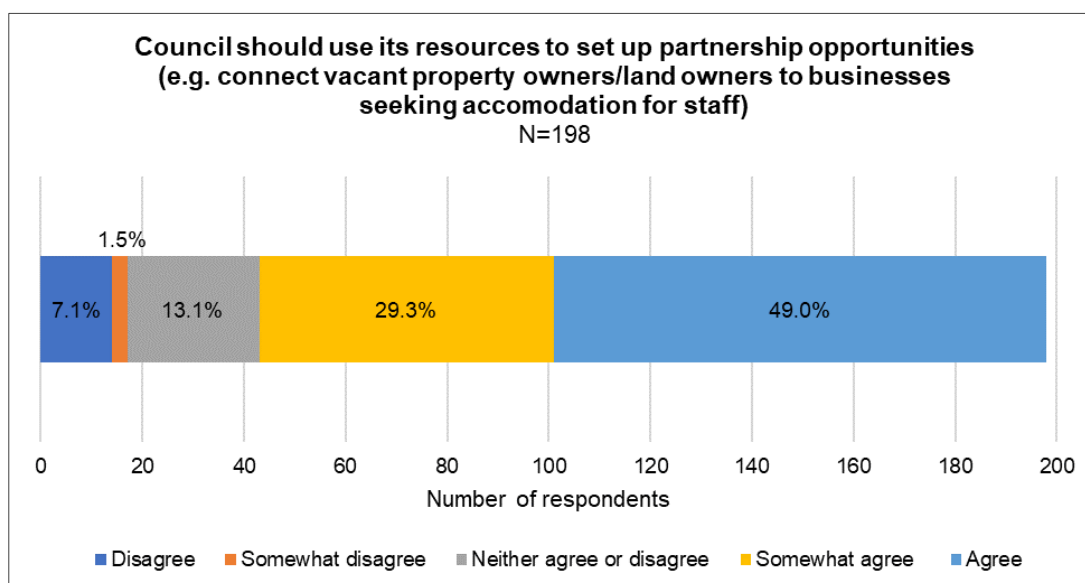
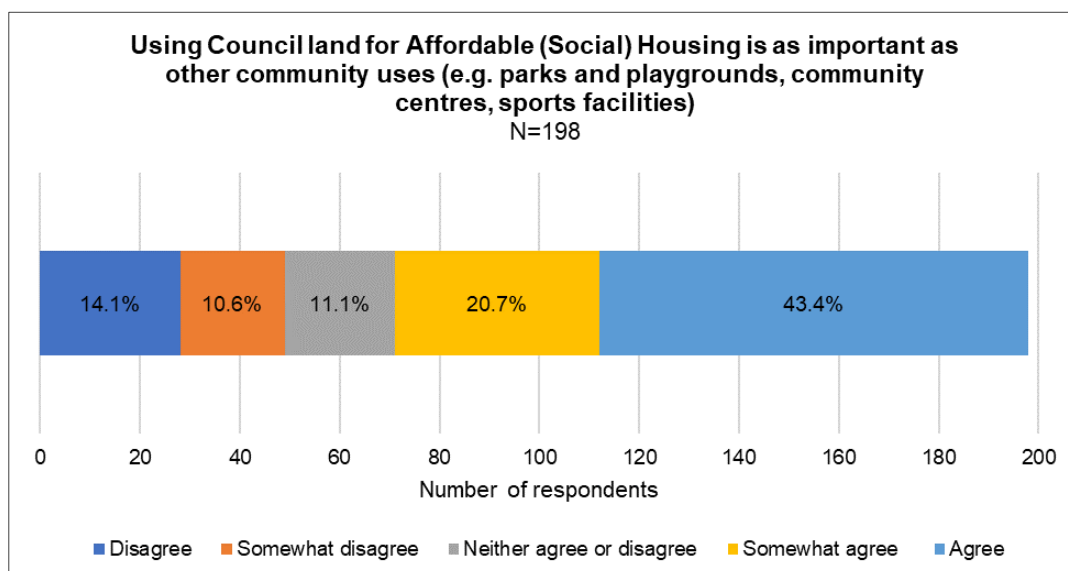
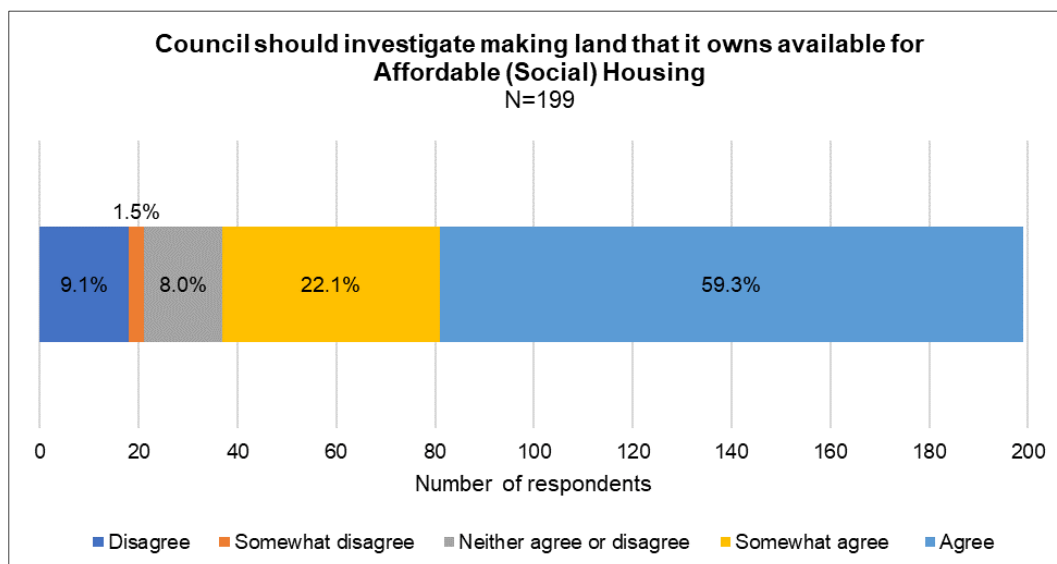
Of the four types of interventions outlined in the survey, the most support (81.4%) was expressed for Council making land it owns available for Affordable (Social) Housing (59.3% agree, 22.1% somewhat agree). Fewer, but still over two-thirds of respondents (64.1%), felt this was generally as important as other community uses for Council land. However, a quarter (24.7%) of respondents expressed disagreement.

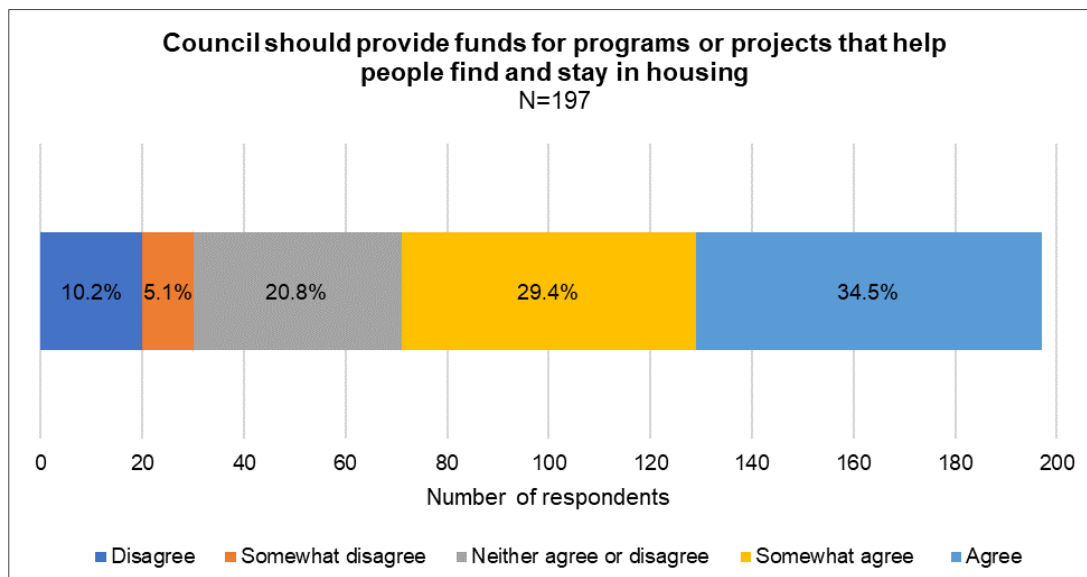
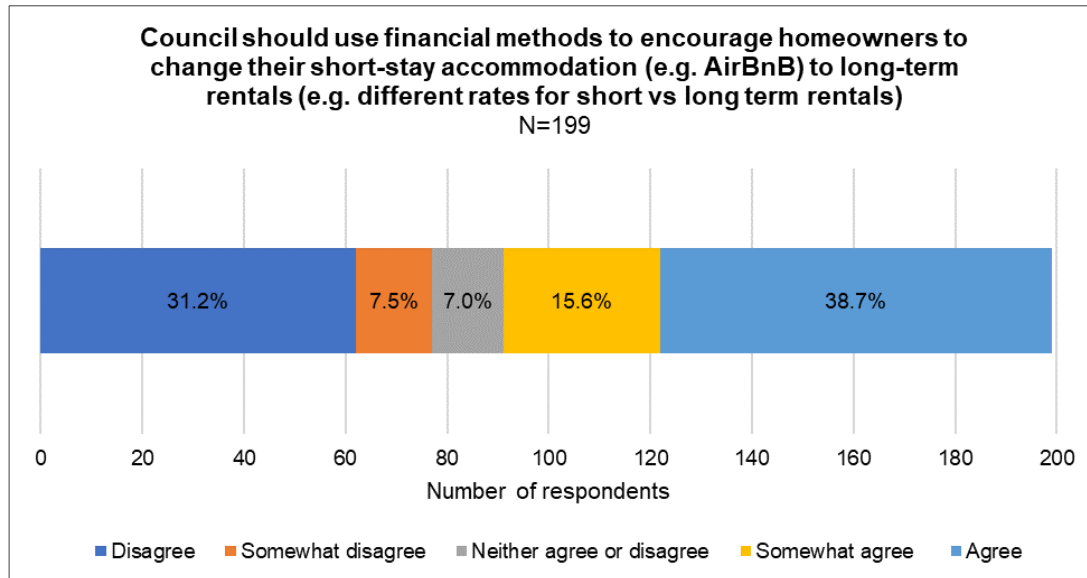
There was also a generally high amount of support (78.3%) for Council using its resources to set up partnership opportunities, though not as strongly (49% agree, 29.3% somewhat agree). This intervention did have less overall disagreement than using Council land though (8.6% and 10.6% respectively). Using financial methods to encourage homeowners to change their short-stay accommodation to long-term rentals, such as differential rates, attracted the most mixed response, with 54.3% expressing some agreement and 38.7% expressing some disagreement. This did attract the most polarised response (38.7% agree, 31.2% disagree), indicating this is quite a contentious option.

Mixed views were also expressed for whether Council should provide funds for programs or projects that help people find and stay in housing. While overall 63.9% of respondents expressed some support, it was less definitive than other options (29.4% somewhat agree), and one-fifth of respondents (20.8%) neither agreed nor disagreed.

Figure 4.3.2 Survey participant feedback on six statements related to partnerships and incentives







Using the planning system

The survey provided six statements related to using the planning system and asked respondents to state their level of agreement with each statement (Disagree, Somewhat disagree, Neither agree nor disagree, Somewhat agree, Agree).

“There is a demand/supply imbalance. ‘Tourism’ (and short stay accom) is blamed but I’d argue that gentrification is the primary cause. Unless more houses are built, the problem will persist.”- Holcombe Ward resident, 40-59 years

Overall 68.2% of respondents expressed agreement that Council should require developers to contribute to subsidised Affordable Housing (through money, land or housing), even at the risk of making development less financially viable. However, one in five respondents expressed disagreement (21.3%).

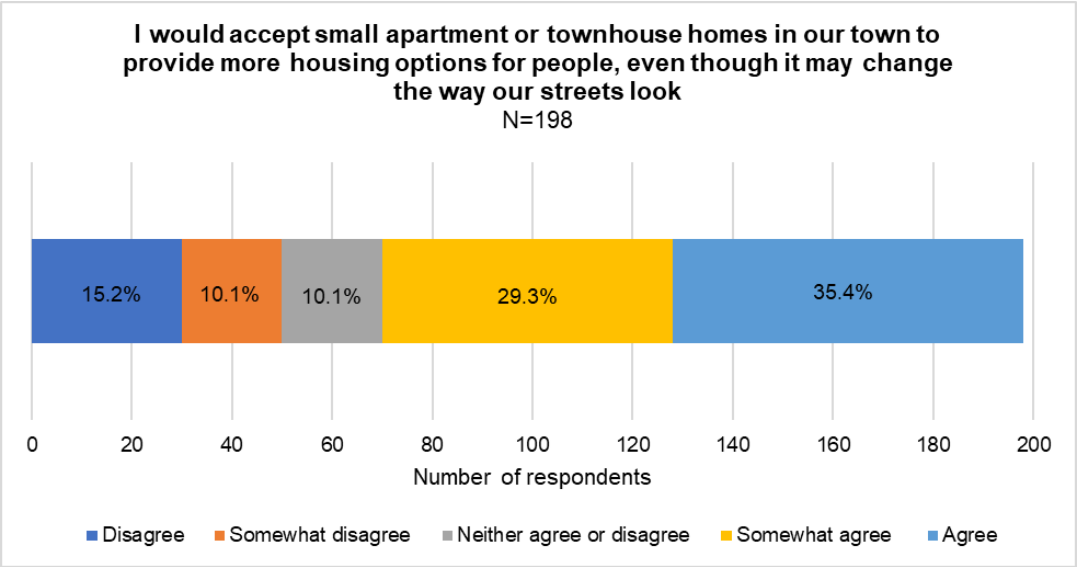
In terms of where additional housing should be accommodated, there was a preference for within existing town borders (67.1% somewhat agree and agree) rather than extending towns into bush and farmland (16.7% somewhat disagree or disagree). A further 16.2% neither agreed or disagreed.

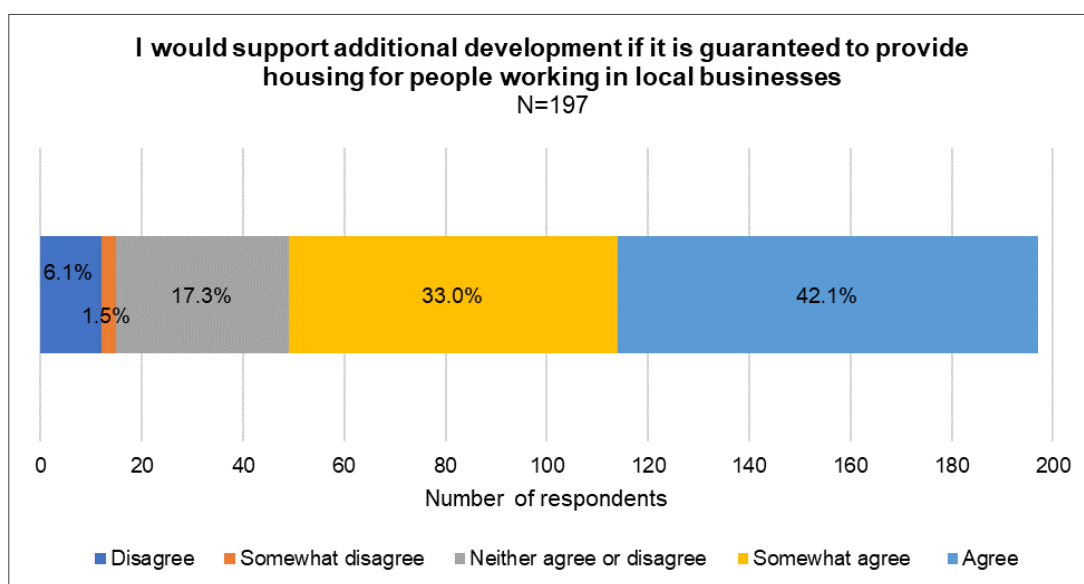
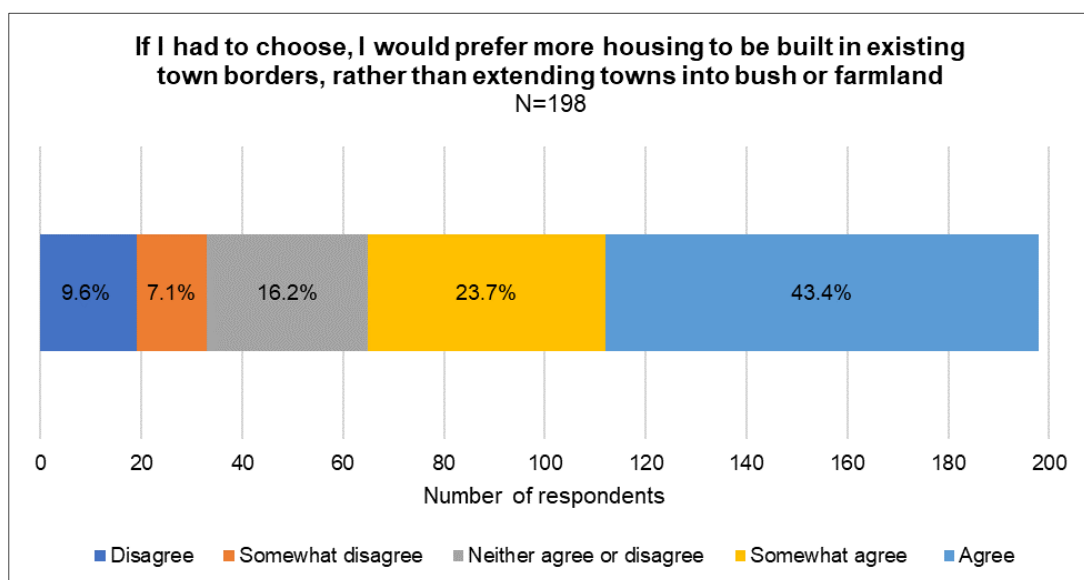
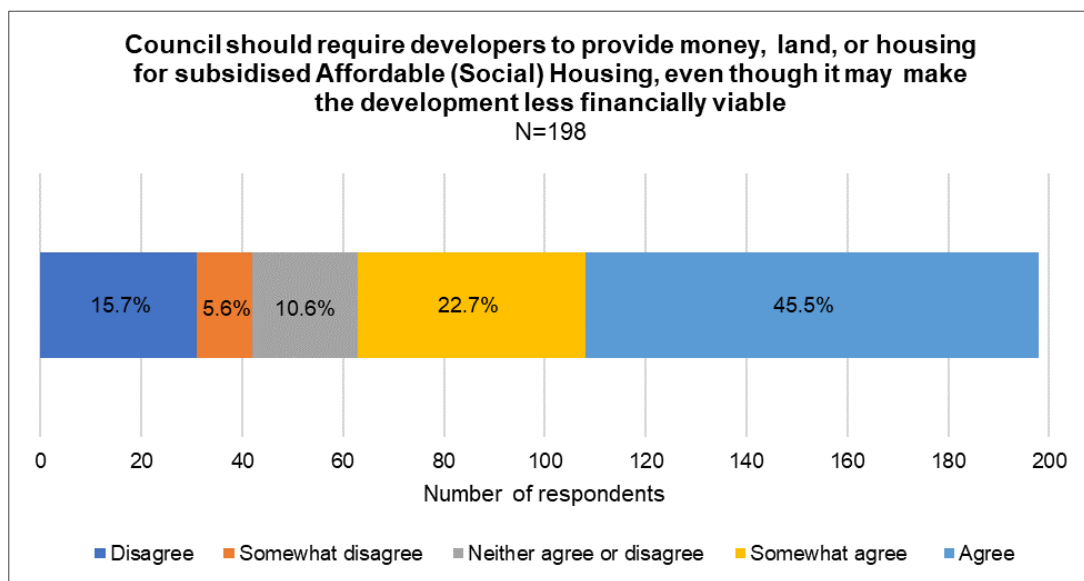
The results also indicate that respondents were more supportive of additional development if it was guaranteed to support those who need it. Three-quarters (75.1%) expressed agreement that they would support additional housing if guaranteed for people working in local businesses (42.1% agree, 33% somewhat agree).

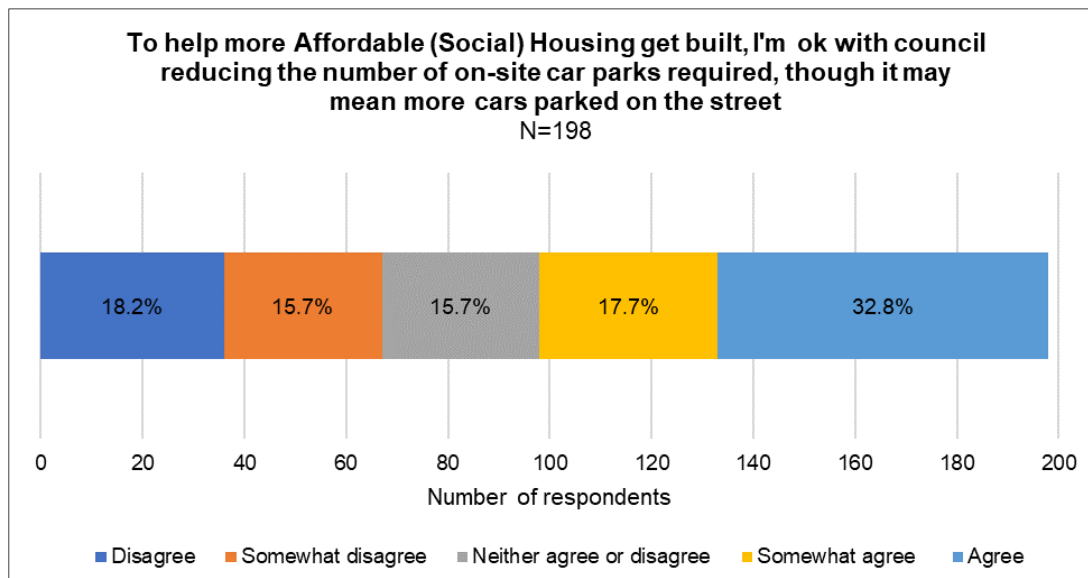
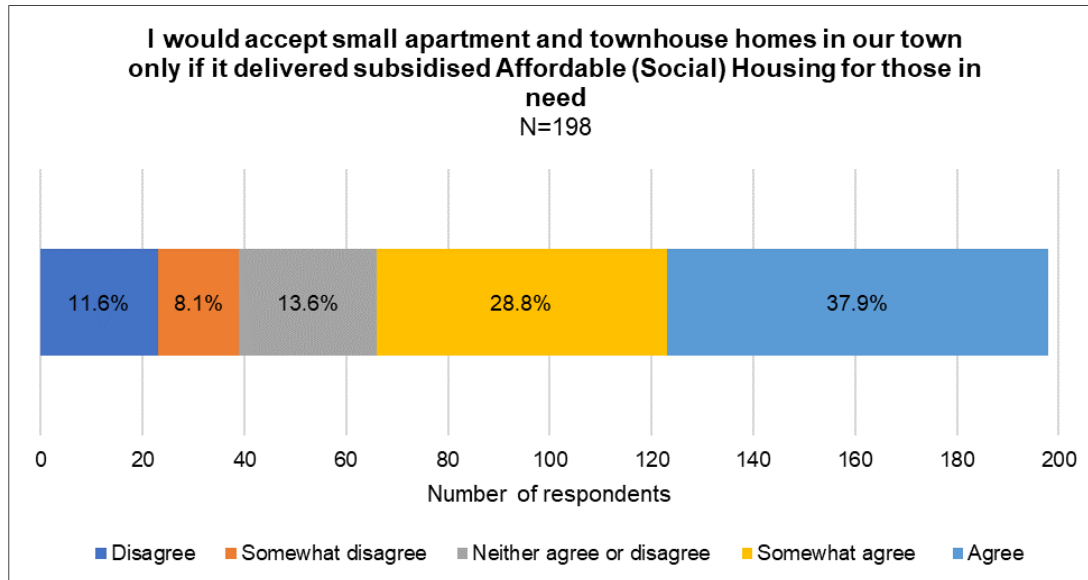
Further, while 64.7% expressed some support for small apartment or townhouse homes in their town to provide more housing options, this increased to 66.7% if it was guaranteed to deliver Affordable (social) Housing for those in need. Similarly, the proportion who expressed disagreement reduced from 25.3% to 19.7%, however, this still represents a quarter and one in five respondents respectively.

There were more mixed views when it came to incentivising Affordable (social) Housing development through the planning scheme. Half of respondents (50.5%) expressed agreement with council reducing the number of on-site car parks required to help more Affordable (social) Housing get built, but a third (33.0%) expressed disagreement.

Figure 4.3.3 Survey participant feedback on six statements related to using the planning system







Advocacy priorities

The survey provided nine potential options for advocacy and asked respondents to select the three they thought were most important for Council to advocate for.

“Bills! Rates, electricity, gas, water, food, I don't have enough money to get ahead, ever, I'm beside myself”. - Female, 40-59 years, Creswick Ward

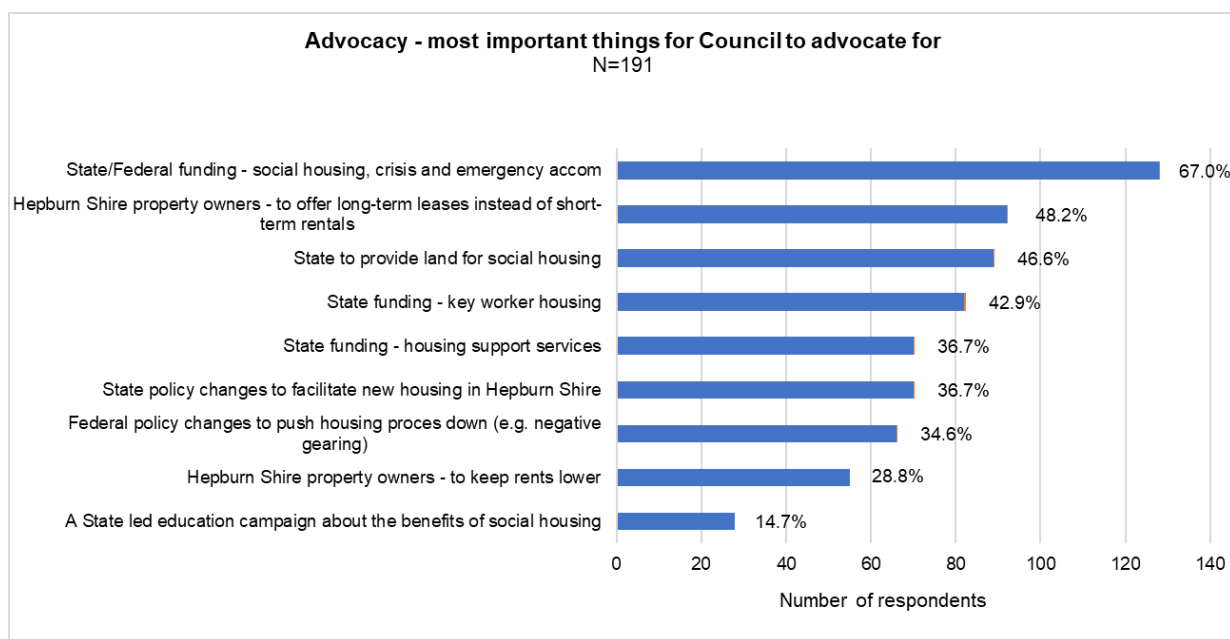
Overall, advocacy for State/Federal Government for funding for social housing, crisis and emergency accommodation emerged as the most important advocacy option. It was the only one to be ranked in the top three by a majority of respondents (67%).

The second highest ranking option (48.2%) was advocacy to Hepburn Shire property owners to offer long-term leases instead of short-term rentals. Conversely, advocacy to Hepburn Shire property owners about maintaining lower rental prices, ranked far lower (28.8%).

This was followed with a range of State Government advocacy options including: the provision of land for social housing (46.6%), key worker housing (42.9%) and housing support services (36.7%).

A State led education campaign about the benefits of social housing ranked the lowest at 14.7%.

Figure 4.3.5 Survey participant feedback on nine options for Council advocacy



Participant ideas

A total of 104 participants provided additional ideas about how Council and/or the community could encourage more housing options in Hepburn Shire.

Of those who commented, most were from Birch Ward (56%), 30% were from other parts of the Shire and 14% were from outside of the Shire. Most respondents were women (58%), 37% were men and 3% identified as non-binary.

The ten most common themes arising from the statements are shown in the Table 4.1 and summarised below. A full list of themed responses is available in Appendix B.

Table 4.3.1 Participant ideas to encourage housing options - Ten most common themes

Most common	Theme	Count	% of Respondents
1	Regulate short-stay rental accommodation	26	25%
2	Land-use planning - facilitate infill/second dwellings i.e. maintaining character of the town	15	14%
3	Facilitate tiny houses/small houses - via land / planning	14	13%
4	Rates - incentives for Affordable Housing and long-term rental accommodation	11	11%
5	Responses who opposed short-stay rental accommodation disincentives	11	11%
6	Land-use planning - improve processes to facilitate development	10	10%
7	Direct investment in Affordable Housing by Council - land	8	8%
8	Facilitate key worker housing	6	6%
9	Land-use planning - facilitate apartments/higher density	6	6%
10	Advocacy - funding for Affordable Housing (not delivered by Council)	5	5%

Short-stay rental accommodation

The most frequently reported ideas related to regulating the prevalence and impact of short-stay rental accommodation, with 26 comments (25% of respondents to this question). Of these comments, most people (24) suggested a tax, levy or cap/limits, such as a per night/per property tax. Ten people commented that Council should disincentivise short-stay rental accommodation by increasing rates or by categorising them as commercial properties with higher rates. Some respondents noted that charges should only be paid for new, not existing properties. It was also suggested that any levies collected should be used to fund or incentivise Affordable Housing or long-term rental accommodation.

“Support the creation of secondary dwellings/granny flats/tiny house on wheels for short term rental purposes. Like other councils, limit the number of days a short term rental can be rented, but only if it is a main dwelling on the land. Incentive (through rates) long term rental of main dwellings and short term for secondary dwellings... Consider short term rental as hotels if they rent longer than 50 nights a year.” – Female, 20-39 years, Birch Ward

“I think you should increase rates for short term accommodation providers to fund this initiative. No current ratepayers funds should be involved in this. Affordable housing is important but it's not council's responsibility even if it's perceived as a trendy thing to do.” – Female, 20-39 years, Creswick Ward

In contrast, 11 respondents (11%) opposed the use of disincentives for short-stay rental accommodation. Some commented that taxes or levies would have a detrimental impact on tourism and the economy. Others felt that incentives for transitioning short-stay rental accommodation to long-term rentals would be more effective than disincentives.

“As in many European cities, perhaps a nightly minimal stay tax could be imposed on guests staying in short term rental/ hotels. At a \$1 per person per night for example, would result in an ongoing war chest to help finance council owned long term accommodation. Harsh restrictions imposed on current owners of short term accommodation, will have a profound impact on the currently lucrative tourist trade. A cap on the number of new short term stays may be worth considering, although a more restrictive short term stay market may drive up rentals even more.” – Male, 60-79 years, property owner living outside the Shire

“According to the A Home in Hepburn: Issues and Options Paper, there were more than 1.18 million visitors to Hepburn Shire in 2019. If measures are taken to reduce the number of short-term rental properties in the area, these visitor numbers, and the economic (sic) boom they bring to the region will decline. Council needs to avoid the “easy” route of deterring short-term rental properties, and instead focus on long-term solutions...” – Local business owner, 40-59 years, Birch Ward

Second dwellings, granny flats, infill development

A frequently reported idea was for Council to facilitate the development of second dwellings and infill development (15 comments, 14% of respondents) as a way of providing more lower-cost housing and smaller homes. Many of these respondents emphasised that this type of development should maintain the character of the towns. Options suggested to facilitate second dwellings included making changes to planning regulations and by providing support to property owners.

“I am planning on moving to the Shire permanently in the next 18 months and would definitely build a studio at the back of my property for long term rental if council made the process easy...” – Female, 40-59 years, Birch Ward

“Make it quite easy for homeowners to add a small unit on their property if they agree to make it available for long term affordable rental.” – Female, 60-79 years, Birch Ward

“Use planning scheme to allow infill & apartments whilst protecting our heritage streetscapes which encourage tourist industry” – Female, 80+ years, Birch Ward

“Facilitating and actively supporting second dwellings/ tiny homes/ etc on suitable land. working with water board to allow sustainable black water /composting toilet systems in unsewered areas thus allowing for smaller subdivision and alternative housing options such as tiny homes.” - Female, 40-59 years, Holcombe Ward

Tiny houses and moveable houses

Many respondents (14, 13%) also suggested Council support the development of tiny houses, movable houses and caravans as low-cost housing options through changes to planning regulations or making land available for their development.

“Caravans and tiny houses, and secondary dwellings need to be made easier on properties who have land in towns. It is so hard now, to build a secondary dwelling, that turns out so expensive, that the rent needs to be expensive to cover costs.” – Male, 40-59 years, Birch Ward

“Build community small/ tiny houses. All the rage. They are portable. Supply land for them. Community has the option to buy or rent the small houses. Only available to live in by the

community.” – Female, 60-79 years, property owner living outside the Shire

“More flexibility in the planning scheme for tiny houses, co-housing options and land sharing in rural townships.” – Female, 40-59 years, Birch Ward

Land-use planning - improve processes to facilitate development

A frequent response (10, 10%) was to make Council planning processes more efficient which would support housing development. These comments included improving general customer service, making application processes easier and providing support to property owners.

“First of all be more efficient. Speed up and simplify the procedure of planning approval.” – Female, 60-79 years, Birch Ward

“While driving down demand for short stay rental properties by intervening (with financial disincentives) should be considered, this is more about supply. Yes, there are some properties lying empty during the week but many of these are holiday homes, not the maligned airbnbs. Council needs to free up land for (appropriate) housing development and also work with the private sector to streamline the planning/permitting process to enable the development of commercial tourism accommodation, which, in turn, reduces demand for short stay accom, freeing up housing for community (noting that wealthy people will continue to buy 'weekenders').” - Male, 40-59 years, Holcombe Ward

Council investing in affordable housing

There were 8 comments that suggested that Council invested in housing such as through the use of council-owned land or questioning why Council no-longer manages housing. Some respondents commented that Council should provide land or advocate for the funding, but that other organisations should manage the housing, not Council.

“Council needs to avoid the "easy" route of deterring short-term rental properties, and instead focus on long-term solutions by encouraging development of affordable housing - either by one or more of: making council land available for development, developing affordable housing themselves, ensuring new large subdivisions include affordable housing prior to planning approval.” – Female, 60-79 years, Birch Ward

“Why has council got out of community housing they use to build flats etc and own and manage them as an income stream for the council?” – Non-binary, 60-79 years, Holcombe Ward

Facilitating higher density housing

Some respondents supported higher density development in town centres (6, 6%) while others warned against them. Respondents suggested changes to planning regulation and others felt the planning department should be more supportive of higher density developments.

“Council needs to approve medium density buildings. Younger people want to stay or come and work in higher end restaurants. They don't want large houses or ex holiday houses. Two or even 3 story apartments that they can rent” – Male, 40-59 years, Birch Ward

“The council should definitely encourage more diversity in housing options - like some 1/2 bedroom apartments Multi level within walking distance of the Main Street - like in most other parts of the world. Well designed 5/6 story north facing apartments. This is not that hard to do. Stop 1/4 acre block sprawl. Check small towns in the UK. Build small apartment/ townhouse complexes in close urban built area areas around “main streets” – Male 60-79 years, Birch Ward

“Please DO NOT kill Daylesford’s character with your push for development. Use the existing built landscape to provide housing options, and if there must be development ensure it contains social housing. The town needs permanent residents to support the tourists, and more young people and families, but PLEASE don’t follow the path of Romsey and others - creating soulless ugly suburbia within the town or in sprawling tracts on the periphery. We chose Daylesford because that wasn’t happening here.” – Female, 40-59 years, Birch Ward

Advocacy – funding for Affordable Housing and Affordable Housing Rental Scheme

Around 6 respondents made suggestions that would require advocacy to the State or Federal government for funding or tax reforms. This included advocating for funding for affordable housing and for the Victorian Government Affordable Housing Rental Scheme.

“Advocating for state funding, but NOT have the projects run by Council. It has to be acknowledged that large scale projects are not effectively delivered by council, so maybe the council should lobby for funding available from state funds and use experienced bodies to implement.”- Male, 40-59 years, Birch Ward

“Council should be working with Homes Victoria’s Affordable Housing Rental Scheme and not wasting time coming up with their own ideas. As part of the \$5.3 billion Big Housing Build, Homes Victoria’s Affordable Housing Rental Scheme will deliver an initial 2,400 affordable rental homes to address affordability pressures in metropolitan Melbourne and regional city centres, and supply issues in regional Victorian towns.” – Male, 40-59 years, Birch Ward

Key worker housing/ supporting workers

Some respondents (6, 6%) suggested ideas for providing housing options for people who work locally including reduced rents, apartments for hospitality workers and increasing workers’ pay.

“Perhaps an incentive could be implemented that people who are working in the area receive some sort of rental rebate, thereby lowering their rent slightly. This would allow businesses to continue to receive the revenue from visitors and short stay rentals, but would also incentivise working individuals to take on permanent work in the are.” – Female, 20-39 years, Birch Ward

“affordable apartments for hospitality and other workers who currently commute here from other areas” – Male , 60-79 years, Birch Ward

“Target hospo workers for housing opportunities OR encourage businesses to increase the pay for workers so they can afford [housing]” – Female, 0-19 years, Birch Ward

Co-operative housing

Some respondents (4, 4%) suggested Council help facilitate co-operative housing and innovative housing models to provide affordable housing and low-cost housing.

“Council should advocate for, and support through planning, innovative housing models, like versions of communal or co-living models. There are many forms that provide low-rise (single or double storey) options for private space with differing levels of central or communal gardens and/or living spaces.... Can make them look appealing and designed in ways that won't effect the streetscape but that use the block space better and fit more people.” – Female, 40-59 years, Birch Ward

“Co-housing and co-op models where you have multi dwelling properties with small sustainable and low carbon footprint units. Shared common areas and amenities. Allow for zoned rural living to build more dwellings on it. Make caravans allowed for people to live in permanently”. – Non-binary,

40-59 years, Birch Ward

“Encourage Super Funds to back social housing/ecovillage developments as they seek to invest long term... I would like to work with council and interested locals and the developer to come up with a showcase ecovillage hosting school tours, short stays, an ecotourism stream designed around self-sufficiency and a circular economy.” – Female, 80+ years, Birch Ward

Releasing land for development

Four respondents suggested land be released or re-zoned for housing development while others felt housing should not be developed in bushland and farmland.

“Housing affordability is not a local problem, it is endemic across the entire country. We need to ensure we don't end up shooting the goose that laid the golden egg that is Daylesford. It's soul is local but its lifeblood is tourism. To protect this I am more in favour of out of town developments. This is not Melbourne, commuting takes minutes.” – Male, 40-59 years, Birch Ward

“Leave bush alone. Leave farmland alone. Build in towns where land is already covered by building. Get rid of or reduce the restriction of heritage overlays to make existing buildings more usable.” – Holcombe Ward resident, 40-59 years

Vacant properties

Eight respondents felt the issue of vacant properties should be addressed and an option for providing more housing. Four respondents (4%) suggested disincentives, such as taxes on vacant properties, while others (4, 4%) felt Council should identify vacant properties and incentivise their development for affordable housing or long term rental accommodation.

“There are a number of permanently abandoned houses (5 Golden Springs Avenue, Hepburn Springs) for instance that could be easily repaired and rented out with some gentle pushing and potentially Council Funded grants... There was a London initiative whereby people had to report any vacant property above shops that they saw was being wasted. The Council then helped fund getting those properties onto the rental market.’ – Male, 40-59 years, Birch Ward

“Increase rate \$\$ for homes that are vacant more than 100 days/ yr. The property shouldn't be vacant for more than 6 months per year or equivalent.” – Female, 40-59 years, Coliban Ward

“Having a vacant dwelling tax that goes up annually.” – Female, 40-59 years, Birch Ward

4.4 Short-stay accommodation and the local economy

The 'A Home in Hepburn Shire: Issues and Options Paper' recognised that the relationship between housing and the economy can be complex for areas like Hepburn Shire that rely on tourism and visitation. Staff need housing close to where they work, but tourists need accommodation too.

To capture the perspectives of local short-stay and accommodation providers, the Stage 1 engagement involved interviews with two such local business operators. A written submission was also received from Airbnb (see Appendix C). This section summarises the key points raised.

Feedback from local accommodation rental business operators

The two businesses manage high end properties (150 and 110 properties each). Owners have often invested a significant amount in renovations (and ongoing maintenance) to get it to be high end. The properties are listed on several platforms including Airbnb but most of the bookings are direct through the business's website.

Drivers for owners of short-stay rentals:

- Most of the property owners use the property at points during the year e.g. Christmas.
- The driver for the owners is flexibility and future use. People buying a property through their self-managed super fund that they can use sometimes, they can get enough income from to keep the bank happy and can retire into in 20 years.

Impact on long-term rental stock:

- There are some, but not many, dwellings that move from long-term rental to high end short-stay accommodation. But there are some smaller and poorer quality houses that may have been long-term rentals and become short-stay accommodation. They tend to be the owner managed properties and are not high end.

Impact of reducing short-stay accommodation:

- If there was a reduction in short-stay accommodation, it would reduce the amount of work available for cleaners, gardeners, laundry services etc. This would reduce the amount of money flowing into the community.

Impact of housing shortage on their business:

- These businesses have been able to attract and retain administrative staff. One business has predominantly local staff. The other has staff that travel from Creswick and Ballarat so they moved to a 4 day working week (longer days) to reduce the amount of commuting.
- The businesses have been able to get enough cleaners and gardeners but the cost of wages have increased significantly (due to demand exceeding supply).

Feedback from Airbnb

The following is a summary of the submission by AirBnB. The data below formed part of the submission. It was not collected as part of the research for this project and has not been verified.

Local benefits of Airbnb:

- Over 69,600 guests stayed in Airbnb's in the Hepburn Shire Council area between September 2021 and 2022.
- Airbnb provides tourists with more choice of accommodation across a variety of price points.
- The overwhelming majority of Hepburn Shire Hosts are 'mum and dad' operators – 65% identify as female and over 35% are aged 60 years or older.
- It gives hosts the opportunity to share in the benefits of tourism to the Shire, and helps people

remain in their homes and the local community in the face of the rising cost of living by allowing them to supplement their income.

Impact of financial disincentives on short-stay accommodation:

- This will not meaningfully address the underlying challenges which exist in the housing market in the region – though it may have numerous unintended consequences for the visitor economy.
- It will place Hepburn Shire Hosts under further financial stress as the cost of living continues to rise.
- It will ultimately hurt guests, local businesses and communities by reducing choice, availability and affordability of accommodation.

Data in the Issues and Options paper:

- Airbnb cautioned that the data in the issues and options paper related to Airbnb's in the Shire was from a third-party source that 'scrapes' data from online booking platforms. It pointed to many limitations to this data and noted it can paint a misleading picture of the sector.

Views on how to address local housing challenges:


- Housing availability and affordability is a complex public policy issue with a broad range of factors at play, including macroeconomic impacts, demographic changes, approval rates for new housing developments and policies across Commonwealth, State and local governments.
- Rather than focusing on regulation as the solution to Hepburn Shire's housing challenges, the focus should instead be on growing the supply of social and affordable housing to ensure the region can grow sustainably and with the future in mind.

Actions Airbnb is taking to support local communities:

- Has recently announced a suite of proposed measures to help build stronger communities and foster sustainable tourism growth. These include:
 - the introduction of registration schemes to inform government decision-making
 - support for a sustainable visitor levy to fund critical infrastructure and housing in local communities
 - behavioural codes of conduct for Hosts and guests; and
 - support for reviews of rental eviction protections.
- Does support proportionate regulation of the short-term rental accommodation sector and has worked with state governments around Victoria and Australia to deliver sustainable regulation which best addresses the issues which local governments are trying to solve.
- Is committed to working with all levels of government to find common sense policy solutions to address issues communities face.

5. APPENDICIES

5.1 Survey



► AFFORDABLE HOUSING SURVEY

Section 1: A bit about you

We know things like age, gender and income level impact people's risk of housing stress. This section helps us make sure we are hearing all voices and perspectives. Your answers will remain confidential.

1. * I live in

- ☐ Birch Ward - includes Daylesford, Hepburn, Basalt, Kooroocheang, Leonards Hill, Musk Vale, Sailors Falls, Shepherds Flat, and Yandoit
- ☐ Cameron Ward - including Clunes, Campbelltown, Evansford, Glengower, Lawrence, Mount Beckworth, Smeaton, Ullina, and Werona
- ☐ Coliban Ward - including Trentham, Bullarto, Fern Hill, Little Hampton, Lyonville, Musk, Newbury, North Blackwood, Spring Hill, Trentham East, and Tylden
- ☐ Creswick Ward - including Creswick, Allendale, Blampied, Broomfield, Cabbage Tree, Creswick North, Dean, Eganstown, Kingston, Langsdon Hill, Mollonghip, Mount Prospect, Newlyn, Smokey Town, Springmount, Sulky, and Rocklyn
- ☐ Holcombe Ward - including Glenlyon, Coomoora, Clydesdale, Denver, Drummond, Drummond North, Guildford, Mount Franklin, Porcupine Ridge, Strangways, and Wheatsheaf
- ☐ I live outside Hepburn Shire
- ☐ I do not have a permanent home

2. * I identify as:

- ☐ Female
- ☐ Male
- ☐ Non-binary
- ☐ Prefer not to say

3. * My age is:

- ☐ 0-19 years of age
- ☐ 20-39 years of age
- ☐ 40-59 years of age
- ☐ 60-79 years of age
- ☐ 80+ years of age

► www.hepburn.vic.gov.au

4. I identify as: (tick ALL that apply)

- ☐ Aboriginal or Torres Strait Islander
- ☐ A person with a disability
- ☐ LGBTIQ+
- ☐ Parent/ guardian of a child under 18 years
- ☐ English is not my first language
- ☐ None of these options

5. My household is a:

- ☐ Single person with income less than \$47,000 a year
- ☐ Single person with income of more than \$47,000 a year
- ☐ Couple with income of less than \$70,000 a year
- ☐ Couple with income of more than \$70,000 a year
- ☐ Family with one or more children and income of less than \$98,000 a year
- ☐ Family with one or more children and income of more than \$98,000 a year
- ☐ None of the above

6. * My connection to Hepburn Shire is: (tick ALL that apply)

- ☐ Live here – renting
- ☐ Live here – owner/ ratepayer
- ☐ Own a house/s here that I don't live in
- ☐ Don't live here – but I am looking to move here
- ☐ Work here – hospitality, tourism, farm work, health or social work
- ☐ Work here - other
- ☐ Study here
- ☐ Own/manage a business here - hospitality, tourism, farm work, health or social work
- ☐ Own/manage a business here – other

7. * If you own a house/s in Hepburn Shire that you don't live in, is that property/ies: (tick ALL that apply)

- ☐ Vacant
- ☐ Used as a holiday home by you/your family
- ☐ Leased full-time
- ☐ Rented out for short stays (i.e. AirBnB or others)
- ☐ Other, please tell us: _____

Section 2: Local housing needs and impacts

We have data on housing need for the Shire, but we would like to understand the issue from the community's perspective.

8. * How concerned are you about the availability and the cost of housing in Hepburn Shire?

- ☐ 1 – Not at all concerned
- ☐ 2 – Slightly concerned
- ☐ 3 – Somewhat concerned
- ☐ 4 – Moderately concerned
- ☐ 5 – Extremely concerned
- ☐ Not sure

9. If you selected 4 or 5 for the previous question, what are your main concerns? (tick up to THREE)

- ☐ Being able to find housing for myself/my family
- ☐ The ability to downsize and stay in my community
- ☐ Being able to live close to where I work
- ☐ Keeping my children connected to their school and local clubs
- ☐ My adult children being able to move out of home but live locally
- ☐ Being able to attract and retain staff
- ☐ Having enough workers to deliver services in our community
- ☐ The impact on local shops and businesses
- ☐ Keeping a mix of different people in the community
- ☐ Other - please tell us: _____

10. If you have a personal experience of housing stress, please share some details if you feel comfortable

11. If you own/manage a local business or service that is being impacted by the availability and the cost of housing, can you tell us how?

Section 3: What should Council do?

Most factors that drive housing affordability are outside the direct control of local government and/or the community. However, there are some actions that we can take to encourage more affordable and suitable homes to be available in the Shire. These include:

- Advocating on behalf of the community
- Using the planning system
- Bringing key partners together and using incentives

Many options are outlined in our Issues and Options Paper. In this section we want to know your views on these options and the trade-offs.

12. Advocating on behalf of the community.

What do you think are the most important things for Council to advocate for? Please tick up to FIVE actions.

Pick up to FIVE	What we are asking for	Who we are asking
<input type="checkbox"/>	Funding – for social housing, and crisis and emergency accommodation	State and Federal Government
<input type="checkbox"/>	Funding – for housing to support businesses (key worker housing)	State Government
<input type="checkbox"/>	Funding – for housing support services	State Government
<input type="checkbox"/>	Land for social housing (government owned land)	State Government
<input type="checkbox"/>	Planning policies – changes to make it easier to build more houses in or near Hepburn's towns	State Government
<input type="checkbox"/>	Policy changes – to push housing prices downwards (e.g. capital gains tax, negative gearing)	Federal Government
<input type="checkbox"/>	Community education – a campaign about the benefits of social housing to the economy, communities, and individuals	State Government
<input type="checkbox"/>	Long-term rentals – lease properties long-term instead of short-term stays	Hepburn Shire property owners
<input type="checkbox"/>	Lower cost rentals - keep rents lower so local people can afford them	Hepburn Shire property owners

13. Using the planning system.

Council can help influence the number and types of homes built through the local planning rules. We understand these options are not black and white, but would like feedback about potential trade-offs. Help us understand your views.

Tick one response per statement	1 - Disagree	2 – Somewhat Disagree	3 – Neither agree or disagree	4 – Somewhat Agree	5 – Agree
I would accept small apartment or townhouse homes in our town to provide more housing options for people, even though it may change the way our streets look.					
Council should require developers to provide money, land, or housing for subsidised Affordable (Social) Housing, even though it may make the development less financially viable.					
If I had to choose, I would prefer more housing to be built in existing town borders, rather than extending towns into bush or farmland.					
I would support additional development if it is guaranteed to provide housing for people working in local businesses.					
I would accept small apartment and townhouse homes in our town only if it delivered subsidised Affordable (Social) Housing for those in need.					
To help more Affordable (Social) Housing get built, I'm ok with council reducing the number of on-site car parks required, though it may mean more cars parked on the street					

14. Bringing key partners together and providing incentives. Help us understand your views on different options for Council incentives and partnerships.

Tick one response per statement	1 - Disagree	2 – Somewhat Disagree	3 – Neither agree or disagree	4 – Somewhat Agree	5 – Agree
Council should use financial methods to encourage homeowners to change their short-stay accommodation (e.g. AirBnB) to long-term rentals (e.g. different rates for short vs long term rentals).					
Council should investigate making land that it owns available for Affordable (Social) Housing.					
Using Council land for Affordable (Social) Housing is as important as other community uses (e.g. parks and playgrounds, community centres, sports facilities).					
Council should use its resources to set up partnership opportunities (e.g. connect vacant property owners/ land owners to businesses seeking accommodation for staff).					
The housing market is the responsibility of the private sector and Council should not seek to intervene.					
Council should provide funds for programs or projects that help people find and stay in housing.					

15. * Overall what is the most important type of action you think Council should focus on? Please tick only ONE option

- ☐ Advocating to others for action
- ☐ Using the planning system
- ☐ Bringing key partners together and providing incentives

16. Other than the options outlined in Q12-Q14, do you have a BIG (or small) idea about how Council and/or the community can encourage more housing options in Hepburn Shire?

Section 4: Affordable Housing Solutions Forum

Council is holding an Affordable Housing Solutions Forum on Wednesday 8 February 2023 from 5pm to 9pm at Daylesford.

The Forum aims to bring together a range of people with different viewpoints and experiences. This includes community organisations, land owners, people in need of housing, local businesses, and general community members. Together they will review the feedback from this first stage of engagement and discuss and prioritise actions for the Draft Strategy. Places are limited, and an independent selection process will be undertaken to achieve a mix of perspectives.

17. Would you like to register your interest to participate in the Forum?

- ☐ No thank you. Thank you, this survey is now complete, you do not need to answer any further questions)
- ☐ Yes, I am currently available that day and would like to register my interest to attend. Please complete the questions below.

Please tell us what (if any) local groups, clubs or networks you are involved in:

We are planning to send invitations to the Forum to those selected in mid-December. Please provide your contact details so we can keep you informed:

First name and last name: _____

Phone number: _____

Email address: _____

Thank you for taking the time to contribute to this important project. To stay informed as the project progresses, visit
<https://participate.hepburn.vic.gov.au/affordable-housing>.

5.2 Participant ideas – full themed list

A total of 104 participants provided additional ideas about how Council and/or the community could encourage more housing options in Hepburn Shire.

Frequent responses are in **bold text**. Approaches to disincentivise short-term rental accommodation have been further broken down. Comments that oppose certain actions are in **red text**. The percentage responses relates to the total number of people who provided a response to the question (104).

Theme	Count	Percentage
Advocacy - funding for AH (not delivered by Council)	5	5%
Advocacy - lower cost housing inc. alternative building methods	2	2%
Advocacy - mandatory developer contributions for AH	1	1%
Advocacy - raise community/stakeholder awareness of the need for AH	2	2%
Advocacy - reduce tax on AH	1	1%
Advocacy - state AH Rental Scheme	1	1%
Advocacy - super fund investment in AH	2	2%
Advocacy - tax incentives (negative gearing only for long-term rental)	1	1%
Direct investment in AH by Council - land	8	8%
Facilitate developments - co-op housing models, eco village	4	4%
Facilitate developments - AH on Church land	2	2%
Facilitate developments - motels /caravan parks / aged care facility	2	2%
Facilitate developments - voluntary contributions for AH	1	1%
Facilitate Home Share	4	4%
Facilitate key worker housing	6	6%
Land-use planning - facilitate apartments/higher density	6	6%
Land-use planning - facilitate infill/second dwelling (eg, maintaining character of the town)	15	14%
Land-use planning - improve processes to facilitate development	10	10%
Land-use planning - release land for more housing	4	4%
Rates/ tax - disincentives for multiple property owners (eg, second dwelling must be long-term rental)	2	2%
Rates - incentives for AH and long-term rental	11	11%
Short-stay rental regulation – breakdown below	26	25%
Short-stay rental regulation - increase rates (eg, commercial)	10	
Short-stay rental regulation - tax/levy/limits (eg, per night/per property)	24	
Facilitate tiny houses/small houses - via land / planning	14	13%
Vacant properties - identify and offer incentives for AH	4	4%
Vacant properties - disincentivise / tax	4	4%
Other – businesses pay staff more so they can afford housing, educate on how to be a good tenant	2	2%
Other - encourage development of 4 bedroom homes, AH for young people, facilitate more emergency accommodation	2	2%
Oppose the use of community land for housing	1	1%
Oppose housing development outside development zones	3	3%
Oppose more social housing development	2	2%
Oppose short-stay rental disincentives	11	11%
Total respondents	104	100%
Total number of ideas/ comments	193	

5.3 Written submission – Airbnb



Airbnb response to Hepburn Shire Council Affordable Housing - A Home in Hepburn Shire: Issues and Options Paper

Short-Term Rental Accommodation in Hepburn Shire - December 2022

By email: dkennedy@hepburn.vic.gov.au

Executive Summary

<mailto:dkennedy@hepburn.vic.gov.au>

- Airbnb's community continues to support the growth of the visitor economy in Hepburn Shire, providing more choice of accommodation across a variety of price points.
- Our community of Hosts and guests are critical contributors to the local economy, empowering communities in Hepburn Shire to share in the benefits of tourism.
- Our platform plays a crucial role in helping people remain in their homes and communities by allowing them to supplement their income by turning their greatest asset – their home – into a source of revenue.
- The proposal put forward by Hepburn Shire Council to use financial disincentives to discourage locals from sharing their homes will place Hepburn Shire Hosts under further financial stress as the cost of living continues to rise. It will ultimately hurt guests, local businesses and communities by reducing choice, availability and affordability of accommodation.
- The proposal will not meaningfully address the underlying challenges which exist in the housing market in the region – though it may have numerous unintended consequences for the visitor economy.
- Airbnb considers that housing availability and affordability is a complex public policy issue with a broad range of factors at play, including macroeconomic impacts, demographic changes, approval rates for new housing developments and policies across Commonwealth, State and local governments.
- Rather than focusing on regulation as the solution to Hepburn Shire's housing challenges, the focus should instead be on growing the supply of social and affordable housing to ensure the region can grow sustainably and with the future in mind.
- Airbnb has recently [announced](#) a suite of proposed measures to help build stronger communities and foster sustainable tourism growth. The proposed measures include our support for a sustainable visitor levy to fund critical infrastructure and housing in local communities, as well as support for reviews of rental eviction protections.
- Airbnb does support proportionate regulation of the short term rental accommodation (STRA) sector, and has worked with state governments around Australia – including in Victoria – to deliver sustainable regulation which best addresses the issues which local governments are trying to solve.



- Airbnb is committed to working with all levels of government to find common sense policy solutions to address issues communities face, backed by sound evidence.

About Airbnb

Airbnb was born in 2007 when two Hosts welcomed three guests to their San Francisco home, and has since grown to 4 million Hosts who have welcomed more than 1 billion guest arrivals across over 220 countries and regions. Travel on Airbnb keeps more of the financial benefits of tourism with the people and places that make it happen. Airbnb has generated billions of dollars in earnings for Hosts, 90 percent of whom are individuals listing the homes in which they live. Among Hosts who report their gender, more than half are women, and one in five employed Hosts are either teachers or healthcare workers. In 2019, Airbnb directly supported 300,000 jobs in just 30 destinations, averaging nine jobs for every 1,000 guest arrivals. Travel on Airbnb also has generated more than \$4 billion in tax revenue around the world. Airbnb has helped advance more than 1,000 regulatory frameworks for short-term rentals, including in 80% of our top 200 geographies. In late 2020, to support our continued expansion and diversification, we launched the City Portal to provide governments with a one-stop shop that supports data sharing and compliance with local registration rules. We continue to invest in innovations and tools to support our ongoing work with governments around the world to advance travel that best serves communities.

The Airbnb community in Hepburn Shire

Airbnb's community has a strong track record of growing the visitor economy in Hepburn Shire providing more choice of accommodation for consumers in more locations across a variety of price points. In the 12 months to 1 September 2022, our Host community welcomed over 69,600 guests to the Hepburn Shire Council area.¹

Airbnb has a large community of Hosts in Hepburn Shire for whom sharing their home is now part of their lifestyle. The overwhelming majority of our Hosts are 'mum and dad' operators looking to supplement their income or subsidise their own travel, with many hit hard by the pandemic and related border closures. Importantly, the sharing economy helps build resilient communities where locals can create supplementary income, and robust economies that are supported by increased visitation and spending by Airbnb guests – particularly in the current climate of rising living costs. As the Council would be well aware, tourism is playing a crucial role in the economic recovery of Victoria, and Airbnb helps empower communities to share in the benefits of tourism and welcome new visitors to their neighbourhoods.

A report by Oxford Economics found that Airbnb guests in Victoria contributed over \$2.3 billion to the state's economy and supported almost 26,000 jobs.² Any consideration of changes to the

¹ Internal Airbnb data as at 1 September 2022.

² Oxford Economics, The Economic Impact of Airbnb in APAC: an independent report by Oxford Economics, commissioned by Airbnb, pp. 23-28. Figures in 2019 prices.



regulatory settings for short-term rental accommodation in the Shire must consider the flow-on effects to small businesses and those who are employed by them. In addition to visitor spending, the home sharing economy is supporting the growth of ancillary services and the creation of local jobs — such as domestic cleaning, gardening and property management — facilitated by over one third of surveyed hosts (37 percent) on Airbnb in Australia who prefer to engage professional services to manage their listings and bookings.³

Crucially, Airbnb is playing a vital role in helping people remain in their homes and communities by providing them with the ability to supplement their income. In a survey of Australian Hosts on Airbnb in 2021, a third of respondents said the primary reason they started hosting was to 'make ends meet'.⁴ In turn, these Hosts help drive economic growth and job creation, with many local businesses relying on the valuable tourism dollars spent by Airbnb guests. Moreover, the supplemental income earned through home sharing empowers women and older or retired persons to remain in their homes and communities — 65 percent of Airbnb Hosts in Hepburn Shire identify as female and over 35 percent of Hosts are aged 60 years or older.⁵ As the cost of living continues to rise, home sharing provides an additional source of income, or indeed the only source of income, that allows everyday Australians to help make ends meet.

STRA and the housing market

Housing is a complex public policy issue and Airbnb welcomes the opportunity to place short-term rental accommodation into appropriate context. Housing affordability is a challenging and complicated issue. The causes differ from place to place, with legacy factors — which often pre-date the founding of Airbnb by decades — ranging from the supply of new homes, the ratio of public housing, the number of empty dwellings and rooms, interest rates and broader economic conditions. Airbnb is committed to working with all levels of government to find common sense policy solutions that will meaningfully assist in growing housing supply across Hepburn Shire and indeed the rest of Australia.

In October 2022, Airbnb [announced](#) a suite of proposed measures that will help build stronger communities, foster sustainable tourism growth, and equip governments across Australia with tools to help address important issues, such as housing affordability. Among others, the proposed measures include our support for a sustainable visitor levy to fund critical infrastructure and housing in local communities, as well as support for reviews of rental eviction protections. Housing affordability is a challenging and complicated issue. The causes differ from place to place, with legacy factors — which often pre-date the founding of Airbnb by decades — impacting on the overall housing landscape. As a company with housing affordability and cost of living needs in our roots and origins, we want to play our part in proposing meaningful solutions that can help tackle these problems and help make a positive contribution to this important issue.

Unfortunately, the Hepburn Shire proposal to increase rates on short-term accommodation providers is unlikely to have a long-term impact on the housing pressures being experienced in

³ Airbnb survey data. Survey conducted in January 2020 of 1,612 Hosts with listings on Airbnb in Australia.

⁴ Survey dates from Feb 1, 2021 to Mar 3, 2021 for Homes Hosts in Australia who hosted a trip during 2020.

⁵ Internal Airbnb data as at 1 December 2022.



the local community. As Census data recently released by the ABS demonstrates⁶, one of the more pervasive issues in housing availability in Australia is the sheer volume of empty dwellings - over one million - an enormous figure when contrasted with the comparatively tiny number of houses listed on short-term rental platforms. It's also important to find ways to address the nation's glut of empty rooms, which the ABS estimates to be about 13 million, as part of a holistic approach to the broader issue of housing affordability.

We understand that for many, the past two years have been extremely challenging, however increasing rates on short-term accommodation providers is not a substantive solution to housing issues in Hepburn Shire. Holiday homes have long been a feature of our regional communities, and platforms such as Airbnb simply allow owners to more easily share their homes with others on a short-term basis. For many Hosts, the primary function of their home is for their own personal use and enjoyment and hosting is a way to help support the financial maintenance of the property.

Nevertheless, Airbnb is keen to play a part in helping to provide meaningful solutions and tackle the issue of housing supply and affordability, in collaboration with a broad range of stakeholders. While short-term rental accommodation generally comprise a small proportion of the overall property market, we're keen to keep finding ways that we can make a positive contribution to this important issue and urge Hepburn Shire Council to consider long-term policy solutions that will meaningfully address the housing challenges faced in the region.

Scraped data

Airbnb notes that Hepburn Shire Council has relied on scraped data to estimate the impact of short-term rental accommodation on the housing market. The Issues and Opportunities paper uses data sourced from a third-party service that scrapes information from online booking platforms and paints a misleading picture of the sector.

Scraped data has a number of serious flaws, particularly in the way that short-term rental accommodation data is represented. For example, an 'entire home listing' is not always equivalent to a stand-alone dwelling and data scraped by third parties simply cannot make these distinctions. Entire homes could be a granny flat or self-contained space adjacent to or within an existing house. It will not always be the sort of space that policy-makers would regard as a dwelling available to rent on a long-term basis to a tenant in the traditional sense. Rather, it may be a space which is used from time-to-time by visiting friends or family. In data sets scraped by third-parties, an individual or family's primary place of residence will also appear as an entire home listing, even when it is only listed for a short period, including while they are travelling and choose to list their home on Airbnb for the period they are away.

In addition, scraped data does not reflect that properties may become available for short-stay accommodation for only a few weeks or months per year. These properties may shift back onto

⁶ <https://www.abs.gov.au/statistics/people/housing/housing-census/2021>, ABS 2021 Census data, released 28 June 2022



the long term rental market periodically, yet could still be represented as homes or rooms used exclusively for short stays, thereby overstating the scale and impact in the local community. Similarly, Hosts often cross-list their properties on multiple booking platforms and may be represented multiple times in analyses that rely on unverified data. These nuances are not accounted for in data sets scraped from our website or that of other booking platforms and we again express our concerns about reliance on this information in decision-making processes.

Nevertheless, Airbnb stands ready, willing and able to work with Hepburn Shire Council and the State government to explore reform opportunities guided by the best possible evidence. To that end, Airbnb proactively advocates for the introduction of a statewide registration system to support common sense policy outcomes and avoid the need for reliance upon unverified data.

Airbnb response to the Issues and Options Paper

Advocating for a whole-of-government approach to STRA

Airbnb supports a sensible, whole-of-government approach to regulating STRA which is backed by sound evidence. Airbnb, and our community of Hosts, advocate for the implementation of a clear, statewide approach with a sliding scale of regulation that provides little or no regulatory impacts for a Host's primary place of residence and provides a sustainable regulatory approach to non-primary places of residence, supporting our Host community in sharing their own homes, and allowing guests more accommodation options, without creating unnecessary red tape. This includes:

- **Mandatory, industry-wide statewide registration schemes.** We believe transparency about the number and location of listings is vital to gaining a holistic view of the industry, and allows governments to make informed policy decisions on both tourism demand and housing policy which is guided by objective data.
- **A mandatory, statewide and industry-wide code of conduct** that establishes clear standards of behaviour for all industry participants — guests, Hosts and community.
- **Exemptions for hosted accommodation.** Hosted accommodation is a low-impact form of accommodation since the Host resides on site and is available to efficiently deal with any issues, should they arise.

Airbnb [recently announced](#) our support for the review of eviction protections in the states and territories where required, to enable governments to identify any potential shortcomings or gaps in the regulatory frameworks that protect tenants. We are committed to working with state and territory governments to be part of the solution when it comes to ensuring long-term renters have appropriate protection.



Additionally, Airbnb supports opt-in tourism levies to fund much-needed community infrastructure and services — for example, key worker housing projects — in communities across Australia. We believe tourism levies are a fair and sustainable way to raise revenue for local communities, especially in areas of high tourism, as they broaden the revenue base without imposing an additional burden on local ratepayers or businesses. Airbnb is committed to working with the state and territory governments to enable local councils to establish — on an opt-in basis — a tourism levy applied to all accommodation providers.

Using the Planning System

Airbnb supports sensible and proportionate long-term solutions that make a real difference to the current housing affordability issue. These could include reducing red tape and streamlining planning permit systems to promote the construction of additional housing supply (including social and affordable housing), making more land available appropriate for residential development and encouraging more housing variety to accommodate the needs of the local community.

Partnerships and Incentives

Airbnb is concerned that the move to place additional financial burden on Hosts, in order to incentivise homeowners to move their properties to the long term market, has been considered on an ultimately flawed premise - that properties available as short-term rental accommodation are detrimental to the provision of housing in the long-term rental market. Notwithstanding that short-term rentals generally comprise a tiny proportion of the overall Australian property market, many properties in the short term-rental market will never find their way back into the long-term rental pool. This is because they might be the primary residence of the Host who shares their home for a few weeks per year, or it is a holiday home used primarily by family and friends. In fact, in locations where there have traditionally been large numbers of holiday homes – such as the Hepburn Shire and broader Goldfields region – Hosts often list their properties on platforms such as Airbnb so that other visitors can enjoy the property during the times that they are not being used by the owner. This inevitably draws more visitors and their local spending to the region.

Many Hosts share their homes on an ad-hoc basis to help meet their mortgage repayments, pay bills or save for their retirement. Acting as a Host for a short term rental property helps many Australians stay afloat and make ends meet in the face of rising costs of living. In a 2021 survey, more than a third of Australian Airbnb Hosts said one of the reasons they host is to earn money to help cover the rising cost of living, while almost four in 10 said that hosting income has helped them stay in their home.⁷

⁷ Airbnb Survey dates Feb 1, 2021 to Mar 3, 2021 for Hosts in Australia who hosted a trip in 2020, sample size ~3806.



Reducing supply will inevitably lead to less affordable accommodation options, particularly in residential and rural areas not well serviced by traditional accommodation. Everyday Australian families will bear the brunt of this, as they face difficulties finding accommodation to suit their needs and within their budget. Non-hosted accommodation is well-suited to families as it reflects a typical home environment and allows multiple generations to stay together when travelling. Many listings include full kitchen and laundry facilities, backyards and multiple living spaces that allow families to travel with space and comfort. These opportunities are simply not available in traditional accommodation or prohibitively expensive for the average family.

In this way, our platform plays an important role in democratising travel, allowing Australians to explore parts of the country that might not otherwise be financially feasible. Higher accommodation costs will force many to travel to other more affordable destinations or simply decide not to travel at all, particularly against the backdrop of rising living costs. In a 2021 survey of Australian Hosts, in response to a question about why they host their space on Airbnb, approximately 35 percent said one of the reasons is to earn money to help cover the rising cost of living.⁸ Meanwhile, more than a third (34 percent) said they host to earn money to make ends meet, and 41 percent said they host to earn extra spending money.⁹

Airbnb brings visitors to parts of Australia not well serviced by traditional accommodation, economically empowering regional communities to participate in the travel industry and spread the benefits of travel across the state.

Guests are also discovering new places to travel because of Airbnb through the use of *Categories*, which help them discover off-the-beaten track destinations that spread the tourism dollar in more places. A 2022 report by Airbnb titled '[Further Afield: Spreading the benefits of the travel revolution](#)' highlights that non-urban nights booked on Airbnb in Australia have increased about 60 per cent when comparing Q2 2022 with the pre-pandemic second quarter of 2019.¹⁰

Reducing accommodation options outside major towns and coastal communities is likely to confine travellers to the higher tourism areas where there is already a shortage of accommodation options. As a result, it's likely to disproportionately affect smaller, regional communities where traditional accommodation is not widely available. In the process, opportunities for regional communities will be hampered and limited. This will mean fewer jobs and economic growth in areas that need it the most, wounding local businesses such as cafes, restaurants and tourism operators, as well as ancillary services such as cleaners and maintenance workers.

⁸ Airbnb Survey dates Feb 1, 2021 to Mar 3, 2021 for Hosts in Australia who hosted a trip in 2020, sample size ~3806.

⁹ Airbnb Survey dates from Feb 1, 2021 to Mar 3, 2021 for Hosts in Australia who hosted a trip in 2020, sample size ~3806.

¹⁰ Airbnb, '[Further Afield: Spreading the benefits of the travel revolution](#)' (2022), p. 3.



Further, reduced accommodation options will limit the area's ability to accommodate visitors, including those from interstate and overseas, when major events, conferences and festivals come to town. The surge capacity, or elastic supply, that the Airbnb community can provide creates opportunities for attracting and hosting major events in cities and regional towns. Reducing the opportunities for locals to share their spare spaces during major events and peak seasons could potentially inflate the cost of accommodation around these peak times.

Conclusion

Neither Airbnb nor our Host community is opposed to short-term rentals being regulated and we welcome the opportunity to work collaboratively with state governments across Australia to implement fair and balanced rules that deliver positive outcomes for Hosts, guests and the wider community.

Airbnb welcomes any opportunity to work constructively with local and state governments to support the development of evidence-based policy settings that deliver positive outcomes for local jobs, the broader economy and a diverse group of stakeholders. We have supported thousands of regulatory frameworks around the world and can bring practical solutions and learnings from where we've helped advance regulatory frameworks, including other Australian states.

Any proposal concerning housing in the Hepburn Shire region must be carefully scrutinised and considered for the benefit of the entire community. Unfortunately, a move to lower the number of short term rental accommodation in the Hepburn Shire Council area will not meaningfully address the underlying challenges which exist in the housing market in the region – though it may have numerous unintended consequences for the visitor economy.

Thank you again for the opportunity to make a submission to this process.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Mcrosby'.

Michael Crosby
Head of Public Policy, Australia and New Zealand
Airbnb