



Council to Homeless Persons – Response to Infrastructure Victoria’s Draft 30-Year Infrastructure Strategy





The Council to Homeless Persons (CHP) welcomes the opportunity to provide a response to Infrastructure Victoria's *Draft 30-Year Infrastructure Strategy*.

We particularly commend Infrastructure Victoria's recommendation for an additional 30,000 new affordable properties for people on low incomes. If implemented, this increase in affordable housing would deliver enormous benefit to Victoria's economy and the welfare of citizens, including enabling Victoria's most vulnerable citizens to have their housing needs met.

Achieving this growth in well-located affordable housing would also:

- improve the health and wellbeing of individuals and households no longer living in housing stress or experiencing homelessness
- reduce demand for health and community services
- improve the efficiency of Victoria's labour markets with job seekers able to live in locations with access to employment
- improve the efficiency and reduce the cost of Victoria's transport systems, by enabling people to live near their jobs, services and networks, reducing car trips taken and trip lengths
- build the resilience of individuals and communities, by enabling people to live near friends, neighbours and community who can provide support and social connection, further reducing demand on government services.

Below we provide detailed feedback on a number of the recommendations from Infrastructure Victoria. This is arranged by recommendation, and includes feedback pertaining to the necessity of the recommendation to meet Infrastructure Victoria's stated objectives, whether the proposed timing is appropriate, and where we believe particular recommendations are reliant on other recommendations for success.

Given our remit as the peak Victorian body representing organisations and individuals with a commitment to ending homelessness, our submission focuses particularly on the recommendations covered in Need 7 (Provide better access to housing for the most vulnerable Victorians) and Need 1 recommendations 1.1.1, 1.1.2 & 1.5.1 which provide for the provision of housing in established areas, employment hubs, and for integrated planning between infrastructure and government services.

The Council to Homelessness Persons (CHP) believes the proposals contained in the strategy would lift the State's lagging levels of social housing and tackle homelessness head-on.

7.1.1 Housing Rental Assistance (and advocacy program extension)

The Victorian Government can play a substantial role in securing and maintaining tenancies where tenants may be experiencing or at risk of homelessness, thereby reducing demand on crisis accommodation and the social housing sector. Targeted intervention payments and supports as recommended by Infrastructure Victoria to ensure that those facing crisis may sustain their housing both ensures an efficient use of homelessness infrastructure by reducing demand, while mitigating the risk that long-term rental assistance packages will result in widespread increased spending capacity and lead to increased rental prices.

7.2.1 Public Housing Refurb / Rationalisation

CHP concurs that the current public housing stock profile requires refurbishment and realignment to better meet the needs of current and prospective (wait-list) public housing tenants. While new public housing is required across every household size, there is a particular dearth in properties for the emergent lone-person household cohort.

With an estimated 10,000 dwellings at or nearing obsolescence, it is disappointing to note that a significant portion of acquisitions and maintenance funding is being reappropriated each year to meet structural funding shortfalls. A substantial refurbishing program may be necessary to prevent the decommissioning of dilapidated existing stock which amounts to 15% of the total Victorian provision of public housing. Much of this stock is already beyond refurbishment and must be retired, with new stock necessary to replace it.

As such, a rationalisation program may be beneficial, in order to retire the oldest stock, return new stock, and ensure that the stock that is brought into the Department of Health and Human Services' housing profile reflects current demographic trends – including locational preferences, access to employment hubs and job opportunities, and that it sufficiently accounts for those with mobility impairments, age related disability, and the broader disability access requirements of public housing tenants. The Council to Homeless Persons believes that it is important to stress that a rationalisation program must not mean a reduction in Victoria's already insufficient public housing numbers. The opportunity presented by rationalisation is to replace existing obsolete stock with new stock that better reflects the needs of public housing tenants and applicants.

The *Draft 30-Year Infrastructure Strategy* further called for the transfer of housing stock and land title of existing public housing to the community housing sector. As part of a larger plan for the greater provision of affordable housing, this could contribute to growth in social housing provision in Victoria. However, it should be noted that stock transfers will only result in an increased provision of social housing where the subsidy needed to house very low income households is properly accounted for.

7.3.1 Affordable housing fast-track approvals

A fast-track approvals process for affordable housing developments is an appropriate and important measure to reduce the cost of developing affordable housing, and may prove an important tool in improving the provision of both social-housing and of private market (and market based) affordable housing provision.

7.3.2 Affordable housing planning mechanisms

Victoria is lagging in its provision of social housing in comparison to other States and Territories. Nationally, social housing makes up between 4% - 7% of all housing, but in Victoria, social housing comprises just 3.4% of all housing stock. The Council to Homeless Persons believes that affordable housing inclusionary planning controls have a role to play in ensuring that affordable housing provision continues to grow, particularly in areas that are well serviced by existing jobs and infrastructure. The Council to Homeless Persons calls for a 10% allocation of affordable housing within all new developments of greater than 10 dwellings. This call goes beyond the recommendation made by Infrastructure Victoria, and does not limit itself to government land, but includes privately owned land being redeveloped. This shares the benefit of mitigating risks of concentrating disadvantage by including affordable housing projects within mainstream rental market developments. It is envisaged that development incentives such as density bonuses, or reduced car parking requirements could offset additional costs to developers while achieving positive social outcomes.

7.4.1 Affordable Housing Plan

An affordable housing infrastructure plan is absolutely critical to providing the infrastructure that Victoria needs now and into the future. Infrastructure Victoria found that as of 2016 there is an immediate unmet requirement for approximately 75,000-100,000 affordable properties in Victoria. This includes over 32,000 households on the public housing waiting list, with over 10,000 of those on the priority list. Low

income households in Victoria are facing extreme housing stress at an alarming rate. Even after receiving support through Commonwealth Rent Assistance, some 38,000 Victorians are paying over 50 per cent of their income on rental costs – which leaves limited and often insufficient money for other necessities such as food, utilities, transport, medicine and clothing. It is clear that neither the existing public housing provision, nor the private rental market are currently able to provide sufficient housing stock to allow Victorians on low incomes to meet their own needs. Indeed, in many areas the housing market is failing to provide for those on moderate incomes.

Without housing available, it is not possible to support homeless individuals into sustainable housing.

An increasing cause of homelessness is an inability to obtain or sustain expensive rentals. In the four years 2011/12 – 2014/15 the number of Victorians accessing the Specialist Homelessness Services from private rental increased from 15,178 to 26,059. It is clear that the current state of the private rental market is causing homelessness.

This situation creates major social and economic costs for the broader community. An affordable housing infrastructure plan must be developed in order to address this most critical issue.

7.4.2 Crisis and Transitional Accommodation

Infrastructure Victoria's recommendation for new crisis and transitional housing properties, particularly for young people and those escaping family violence is a sensible approach to enable people to be more swiftly accommodated when homelessness occurs.

However, the Council to Homeless Persons notes the risks in this approach as highlighted by Infrastructure Victoria. The report notes that "without development of appropriate 'exit points' ... (to) longer term affordable housing, this option could be ineffective at contributing to the overall need of providing better access to housing for the most vulnerable Victorians". Bottle-necks currently exist throughout Victoria whereby positive exits into sustainable housing tenures are not currently available at a sufficient rate, leading to either negative exits from crisis and transitional accommodation (back into homelessness) or elongated stays in crisis or transitional properties, with a resultant over-allocation of supports compared to the client's current needs, and an inability to provide said supports to prospective clients who do require them.

The recommendation for additional crisis and transition accommodation recognises a need for greater provision of such throughout Victoria. However, this approach will only be meaningful if paired with a far greater allocation of affordable housing opportunities.

7.4.3 Affordable rental housing provision.

With an estimated dearth of 75,000 – 100,000 affordable housing properties in 2016, Victoria’s housing infrastructure is currently insufficient to meet the needs of the community. Meeting this recommendation is absolutely critical to meeting the objectives of the *30-Year Infrastructure Strategy*. Within the current context, the provision of additional social and affordable housing is the primary way in which the Victorian Government can foster healthy, safe and inclusive communities; reduce disadvantage; enable workforce participation; and build resilience to shocks. The current lack of affordable housing is actively contributing to negative outcomes against these objectives, and must be addressed.

The Council to Homeless Persons reiterates Infrastructure Victoria’s call for an immediate investment in social housing. As mentioned above (see section 7.4.1) the current supply of affordable housing is insufficient to meet community needs, and given the immediacy of Victoria’s housing crisis, the enhanced supply of social housing is the most immediate mechanism for addressing the enormous need for affordable housing in Victoria. The provision of 30,000 new dedicated affordable dwellings within the next five years is critical to the health, wellbeing and economy of Victoria, and can in the immediate term only be delivered through social housing.

In the medium term the private rental market also has a role to play in supplying increased levels of affordable housing in Victoria, facilitating the use of private capital into the provision of critically needed affordable housing infrastructure. This is likely to prove a useful mechanism to increase the supply of affordable housing in Victoria, as part of a larger affordable housing plan for the State.

1.1.1 Development in established areas

While securing affordable housing is central to supporting those experiencing homelessness in Victoria, choice in housing type and location is one of several factors associated with overall housing stability (Gronda et al 2011; Tsemberis et al 2004). Supportive housing programs have found that when consumers are engaged in

identifying housing that meets their needs they are more likely to remain there. Being 'at home' is about more than having a roof over your head. It's also about being included in your community.

The provision of additional dwellings, in particular affordable dwellings, in areas where people have enduring links to friends, family and community provides for important informal supports, builds resilience, and fosters inclusive communities. By developing greater numbers of new dwellings in established areas we improve the ability of all Victorians including homeless Victorians to live in proximity to their families and support networks, and as they would choose.

1.1.2 Development in/around employment centres

While the home we live in is important to us as individuals and families; the diversity and location of housing within communities is also critical to broader community wellbeing. It is the combination of housing types, tenures and levels of affordability in a community that determine social mix - across ages, income levels, and cultural backgrounds. This synthesis also has important economic consequences, and impacts on other infrastructure forms. For example, a community in which affordable rental housing is only in places far from employment nodes will add to the pressure on transport systems, as lower paid workers commute long distances; will have lower productivity as flexibility is lost, and time is wasted in commuting. This will generate broader issues of entrenched disadvantage within the locations distant from jobs.

In locations in Victoria where housing is relatively cheaper, unemployment is high, and persistent disadvantage is entrenched. This creates an overlapping web of disadvantage that manifests across social and economic indices, including in high crime rates, poor school completion, child abuse and neglect, and high rates of drug abuse, mental illness and disability. [Vinson et al, *Dropping off the edge 2015*, Jesuit Social Services and Catholic Social Services Australia]

In order to address these challenges, the development of additional dwellings, in particular affordable dwellings, in areas close to employment will both improve community resilience to new shocks, and actively reduce disadvantage.

1.5.1 Government service/infrastructure planning

Developments being built in greenfield and growth areas of Victoria typically fail to account for the service consumption needs of local residents. Housing alone does not make an area liveable or a community. In particular, we see that Melbourne's growth areas are attractive to young families and first home buyers on limited incomes. Typically, these areas demonstrate significant population disadvantage, which manifests in a range of negative health and social outcomes, but without the provision of services to address such. Social infrastructure, such as community health centres, housing providers and emergency relief providers are particularly important in these areas of relative disadvantage, but have regularly failed to have been provided.

An area based, whole of government, integrated service and infrastructure approach to planning is necessary to ensure that as new housing does come online in Victoria, it doesn't entrench disadvantage in new areas.