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Introduction

Council to Homeless Persons (CHP) welcomes the opportunity to respond to the discussion paper on the ten year social and affordable housing strategy.

Victoria's Big Housing Build, and the ten year social and affordable housing strategy that accompany it, represent an enormous opportunity both to grow the social housing stock and to meet significant unmet needs in the community. The dearth of social housing in this State is the cause of great social harm. Growing the social housing stock must be the core aim of the ten year social and affordable housing strategy. The other themes from this discussion paper are best considered supporting elements.

While we regard growth in social housing as the pre-eminent outcome to be achieved by the ten year social and affordable housing strategy, in this submission we have responded to each of the themes identified in the discussion paper. We have worked with users of the social housing system and those who have experienced homelessness to ensure that our submission reflects both the systemic needs of Victoria's housing system, and the lived experience of waiting for and living in social housing.

The ten year social and affordable housing strategy is an opportunity to remake the housing system in Victoria. Currently, too many people are excluded from housing, resulting in great personal harm, and serious detriment to their opportunity to build the lives that they would like for themselves.

Another way is possible. In ten years, Victoria can be a society in which everybody has access to housing that suits their needs and that they can afford. That vision will only be realised through a considered and ambitious strategy. The hopes of all of those working to end homelessness are with you.

Recommendation 1: Growing the social housing stock must be the core aim of the ten year social and affordable housing strategy, the other subordinate themes from this discussion paper are best considered supporting elements.

Recommendations

Recommendation 1: Growing the social housing stock must be the core aim of the ten year social and affordable housing strategy, the other subordinate themes from this discussion paper are best considered supporting elements.

Recommendation 2: In order to put people at the centre of the ten year social and affordable housing strategy, Homes Victoria should consult with a wide range of stakeholders, including:

- People who have experienced family violence
- People who have slept rough
- People with mental illness
- People who have been incarcerated
- People in overcrowded housing
- People whose social housing tenancies have failed
- Children and young people who use social housing.

Recommendation 3: Increase the provision of social housing to the national average.

Recommendation 4: Deliver housing models that enable providers to develop sustainable housing for people on the lowest incomes, including singles and people with complex needs.

Recommendation 5: Homes Victoria should publish regular, detailed analyses of social housing allocations, including by cohort, to provide a transparent view of the allocations taken by each provider, and to identify and address any systemic access issues for social housing applicants.

Recommendation 6: Develop and deliver a youth specific social housing model.

Recommendation 7: Require all new social housing homes to meet the Liveable Housing Design Guidelines Gold level by incorporating this standard into tender specifications.

Recommendation 8: Reform processes so that Victorian Housing Register applicants who are unable to accept a housing offer within the set timeframe are not relegated to the end of the list.

Recommendation 9: Increase the availability of support to people who receive a housing offer, to facilitate stronger supported decision making.

Recommendation 10: People should remain on the Victorian Housing Register until it can be verified that they no longer wish to be, or are no longer eligible.

Recommendation 11: Develop a framework for homelessness services, including the provision of more support for people whose needs are ongoing or recurring.

Recommendation 12: That social housing providers be required to publicly report on evictions, including by cohort, in order to identify and address issues in tenancy management locally and system-wide.

Recommendation 13: All social housing should meet adequacy standards. As a general rule, adequate housing is indistinguishable from other new developments.

Recommendation 14: The ten year social and affordable housing strategy should require that social housing is not built in great concentration.

Recommendation 15: That the ten year social and affordable housing strategy seek to discourage dense developments consisting entirely of social housing.

Recommendation 16: Homes Victoria should require that new social housing is visually consistent with high quality private housing.

Recommendation 17: Maintain the current rent system.

Recommendation 18: Develop a mechanism for community infrastructure contributions.

Recommendation 19: **Develop a community programs plan, taking an 'ages and life stages' approach.**

Recommendation 20: Prioritise direct funding of new social housing developments.

Recommendation 21: Institute mandatory inclusionary zoning.

Recommendation 22: Develop a homelessness service framework that includes the development of specialist housing and support models for cohorts, including young people, and those with high and complex needs due to disability and dedicate funding to the delivery of such social housing models.

Recommendation 23: Explore opportunities for a shared equity scheme that **won't have an inflationary effect** on the price of housing.

Recommendation 24: Consider a shared equity scheme consistent with *Mana-na worn-tyeen maar-takoort*.

Recommendation 25: Partner with local government to continue its existing roles in land donation and service coordination, as well as empowering them to better deliver more social housing.

Recommendation 26: Encourage the Federal Government to fund more social housing, address the inflationary effects of negative gearing and the capital gains tax offset, and increase statutory incomes and Commonwealth Rent Assistance.

Recommendation 27: Partner with property developers to deliver the salt and pepper incorporation of social housing into new developments and communities.

Recommendation 28: Partner with the investment sector to facilitate large scale investment in social and particularly affordable housing.

Recommendation 29: Continue to work with Council to Homeless Persons towards a future where every Victorian has access to a suitable home that they can afford.

People at the centre

We want your input on what actions we should take to ensure we seek, hear and respond to people who need and use social and affordable housing, so that people are at the centre of a future social and affordable housing system.

If social housing is for people who are not likely to sustain housing in the private market, then it makes sense that a critical constituency for putting people at the centre of the ten year social and affordable housing strategy will be those who have experienced homelessness.

Homelessness has a vast array of precipitants, takes many forms, and is associated with a multitude of different difficulties in the private housing market. As such, it will be important to ensure representation from a range of stakeholders experiencing homelessness. Without limiting those with whom Homes Victoria should consult, special attention should be paid to people who have experienced family violence, people who have slept rough, people with mental illness, people who have been incarcerated, and people who are in overcrowded housing.

In order to understand how social housing can be improved, special attention should be paid to those for whom social housing has failed in the past: those who have been evicted from social housing. This can inform the strategy's understanding of both the social housing policies that have led to poor results, and the outside supports that were needed to help sustain a tenancy. There is a significant risk that should the consultation focus predominantly on people who are currently in social housing, responses will be limited to those from people for whom the system already works well.

Children and young people who live in social housing further deserve dedicated consultation. This should include both dependent children, and young people living away from their family of origin. Children and young people make up a large proportion of social housing residents, but are rarely represented in policymaking.

'I jumped schools when I was younger. The impact wasn't just moving, but you changed schools, change friends, it was a really sad time, and I was moving with a really dysfunctional family. I was so dependent on my parents making those decisions for me, but some of the benefits should impact the whole family.'

- Cathie, Consumer / advocate

Recommendation 2: In order to put people at the centre of the ten year social and affordable housing strategy, Homes Victoria should consult with a wide range of stakeholders, including:

- People who have experienced family violence
- People who have slept rough
- People with mental illness
- People who have been incarcerated
- People in overcrowded housing
- People whose social housing tenancies have failed
- Children and young people who use social housing.

Pathways

What actions will enable people to access social housing, sustain their tenancies, and move between different housing options as their needs change?

Access to social housing

The single greatest factor preventing people from accessing social housing is the inadequate availability of social housing. To improve people's access to social housing, more social housing must be built.

While, the pervasive low level of social housing in Victoria, affects all people requiring access to social housing, there are specific groups for whom access to social housing is particularly constrained including single people on the lowest incomes and young people.

Building quality housing for single people is relatively more expensive relative to the rent they pay, than other household types. In order to enable growth in housing options for single people, including those on the lowest incomes and those with complex needs, the financial model for housing development needs to be sustainable for housing the most vulnerable single people.

Alongside a sustainable funding model, the housing allocations process needs to both be fair, and be seen to be fair, by also being transparent. In order to strengthen the transparency and integrity of the housing allocations system, detailed granular analyses of social housing allocations should be regularly published. This should include reporting by cohort, to demonstrate that all housing providers are providing access to social housing to those who are most vulnerable and on the lowest incomes, and to identify and address any systemic access issues for social housing applicants.

Young people are another group particularly requiring more access to social housing. An opportunity exists through the Big Housing Build and ten year social and affordable housing strategy to develop a specialist social housing model for young people. This will need to consider built form, tenure length, support integration including case management, and how to make such a model financially viable when young peoples' incomes are so low.

This would provide medium-term supported social housing to young people as a pathway to independent living. It would also recognise that some young people will continue to need the support of social housing in an ongoing matter.

It is also important to recognise disability access as a fundamental component of access to social housing. Of the nearly 50,000 households on the waitlist for social housing, more than half are in the priority access category,¹ which includes people with accessibility needs. Add to this an aging population, who will require disability modifications at an increasing rate, and the long-term negative health impacts of homelessness,² and the case for strong disability access requirements in Victoria's new social housing stock becomes clear.

While Council to Homeless Persons understands that Homes Victoria is committed to a high level of disability access for five per cent of properties built under the Big Housing Build, we support VCOSS' recommendation that all new homes should meet the Liveable Housing Design Guidelines Gold level standard.

'I'd change the process. God I'd change so much. The eligibility. The conditions (on housing offers). The waiting list.'

- Lisa Townsend, Consumer / advocate

Further access improvements can be made through administrative changes to remove policies that penalise people who are homeless and transient. This includes processes that see people removed from the Victorian Housing Register due to being uncontactable, paired with time limits on re-instatement appeals, removal from the priority list for declining to accept offers, and inconsistent practices at local area office level, which result in the most vulnerable Victorians being moved to the back of the list.

The current system punishes people for being unable to be contacted, or for being too unwell to accept the housing offer at the time that it is available. This fails to recognise that these circumstances are indeed more likely to occur among social housing's target audience, and that these are the people most in need of social housing.

Some of these issues could be addressed by providing more support to people when their letter of offer is sent. A more proactive approach is necessary to locate people who are transient so they receive the offer that is sent. Case management is also needed to better support offer recipients, so that they have the information and assistance needed to make the choice that best suits them.

Further to this, changes should be made to the way in which people are removed from the Victorian Housing Register. Instead of a system whereby a person is removed from the list as a result of being uncontactable, people should remain on the Victorian Housing Register until it can be verified that they no longer wish to be, or are no longer eligible. This would reflect the lived experiences of homelessness,

whereby people are regularly unable to be contacted, by family, friends, service providers or government.

These Victorian Housing Register processes must be changed in order to achieve what must be social housing's core mission: to successfully house the most vulnerable in our community. Reaching the top of the list on the Victorian Housing Register should represent an end to homelessness, not a risk of missing out for several more years.

Recommendation 3: Increase the provision of social housing to the national average.

Recommendation 4: Deliver housing models that enable providers to develop sustainable housing for people on the lowest incomes, including singles and people with complex needs.

Recommendation 5: Homes Victoria should publish regular, detailed analyses of social housing allocations, including by cohort, to provide a transparent view of the allocations taken by each provider, and to identify and address any systemic access issues for social housing applicants.

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Recommendation 10: People should remain on the Victorian Housing Register until it can be verified that they no longer wish to be, or are no longer eligible.

Sustaining tenancies

'You need a dedicated case worker. Not someone who just comes in and gives their opinion, but someone dedicated to your mental health and your social wellbeing'

- Nigel Pernu, Consumer / advocate

In addition to continuing to grow Victoria's social housing stock, Homes Victoria also needs to develop a homelessness service framework that addresses barriers to the sustainment of social housing tenancies.

The existing Victorian Housing Register priority categorisation for people with extensive histories of homelessness is termed "homeless with support". Homelessness service providers recommend applicants to this wait list categorisation, based on the understanding that they are providing support to the applicant. However, "homeless with support" has always been something of a misnomer. Currently, Victoria's specialist homelessness services are funded to provide few *ongoing* support places. The typical "homeless with support" applicant is in receipt of a standard 6–13 week support period, a period that inevitably ends well before an applicant receives a housing offer. For those applicants who require *ongoing* support to remain well and sustain housing, there are very few supports available.

'You need wrap around services. (Homelessness service provider with ongoing support capacity) said "we're not just gonna put you in the apartment and leave you". I didn't know my bedroom was a bedroom. I had my bugout bag like a squat. I wasn't removing my rubbish, because it was a squat (in my head).'

- Jason Russell, Consumer / advocate

People who have had extensive histories of rough sleeping and other forms of homelessness have specific needs that aren't well catered for by other areas of human services. Transience and impermanence; the comradery that exists between individuals experiencing homelessness; the loss of the habit of future-focused activities when immediate needs are so pressing, the unique experience of homelessness has unique impacts on a person's ability to sustain housing.

'When you get social housing there's this want to share with people who need it, and there's this sense of group loyalty. And that can get you evicted.'

- Cathie, Consumer / advocate

A framework for the homelessness service system would focus in part on those people whose needs are likely to be ongoing or recurring, with the aim of reducing evictions from social housing. The framework would necessarily include provision of more ongoing support for people with complex needs, as well as reforms to processes to enable more constructive solutions to issues, rather than commencement of evictions.

A further means for sustaining tenancies has been discussed in detail earlier in this submission. New transparent public reporting by social housing providers should

include information about the number and cohorts of evictees and about those whose tenancies fail. This will allow for better monitoring, and assist both providers and Homes Victoria to address both instances where individual providers are failing to adequately sustain tenancies, but also draw attention to system-wide issues around tenancy sustainment for particular cohorts.

Recommendation 11: Develop a framework for homelessness services, including the provision of more support for people whose needs are ongoing or recurring.

Recommendation 12: That social housing providers be required to publicly report on evictions, including by cohort, in order to identify and address issues in tenancy management locally and system-wide.

Moving between housing options

"I get that business reason – your kids have moved on, and you don't need those bedrooms any more. It's resource allocation. But it's horrible, horrible, to move people on. It's a safe place that YOU've made safe. From a people perspective it's horrible. And economically it's probably horrible too, because that's just going to retraumatise people who are in recovery"

- Cathie, Consumer / advocate

CHP is concerned that this question, while well meaning, fails to consider the context within which social housing is allocated. It is essential that the ten year social and affordable housing strategy recognise that while some social housing tenants may move on to market-rent housing, this cannot be the expectation of Homes Victoria.

In 2019-20 fully 91.7% of public housing allocations in Victoria, and 87.2% of community housing allocations were to people on the greatest needs wait lists – namely, people with extensive histories of homelessness, or with disabilities.³ The changes that would be required to support these cohorts out of social housing and into the private market do not sit within the scope of influence of Homes Victoria – the changes needed are within portfolios such as employment policy and workplace rights. Instead, the ten year social and affordable housing strategy must focus on meeting the support needs of the highly vulnerable cohorts to whom social housing is almost exclusively delivered.

'In my situation, I'm employed, but I haven't been employed for 2 years continuously, so a landlord's not going to look at me favourably... It should be community oriented, and this isn't a people centred question.'

- Nigel Pernu, Consumer / advocate

Nor is encouraging “downsizing” within the social housing system particularly meritorious in the context of the social housing system likely to exist within the life of this strategy. The truth is that the extremely low proportion of social housing in Victoria means that appropriate local alternative properties are not a feature of the system. The dearth of social housing means that in many instances, to encourage downsizing for residents whose living situations have changed means to uproot them from their lives and communities.

‘I look at my mum’s house, and it’s her life, and I don’t think she should have to move.’

- Lisa Townsend, Consumer / advocate

This injustice, while real, feels yet more pointless when we consider that the largest waiting lists for social housing are by far for one and two bedroom properties. While more properties of every size are needed by those on the Victorian Housing Register, by far the property type least able to be delivered by the existing stock is smaller properties. In this context, any attempt to encourage downsizing would not only lead to injustice, but would create greater pressure on the point of the social housing system already under the greatest stress.

Encouraging moves to differently sized properties by households whose composition has changed is neither inherently good nor bad. However, a system that encourages relocations without creating injustice must currently be considered a “stretch goal”, a plan for the future in the context of a far larger housing stock.

‘Options should be available, but it’s about OPTing. You shouldn’t have to opt in, and you should be allowed to opt out.’

- Jason Russell, Consumer / advocate

What are the most important features of affordable housing? (e.g. price, location, security of tenure, access to transport or daily amenities, connection to support services etc.)

‘NEVER in great concentrations’

- Lisa Townsend, Consumer / advocate

As mentioned earlier in this submission, the ten year social and affordable housing strategy must be at its very core, a plan for growing the social housing stock. CHP is pleased that the ten year social and affordable housing strategy is taking into account the essential features of successful social housing, including price, location,

security of tenure, access to public transport, local amenities, and availability of support services.

These essential features and others, are required to live up to the core promise that we must make to people living in social housing; that the homes will help them live with dignity.

A home that supports dignity looks very like the home in which most readers of this submission will currently live. It is an adequate size. It is a pleasant, but non-descript feature of its community. In short, the aim of social housing must be to deliver genuine homes.

Below we list a few features that should be considered in the procurement of all new social housing properties:

Adequacy. If social housing residents are to enjoy the full benefits of membership to their communities, then their homes cannot promote them being stigmatised. Social housing must be of at least the same standard as, and indeed be indistinguishable from, new private housing. Council to Homeless Persons asserts in the strongest possible terms: cheap, stopgap solutions to housing the homeless are not adequate, are not dignified, and rarely lead to sustained housing outcomes for residents. It will not be acceptable to provide substandard housing through the ten year social and affordable housing strategy.

Concentration. Deep consideration must be given in the ten year social and affordable housing strategy to managing the concentration of social housing in particular communities. Dispersed social housing serves a number of important functions. First, it ensures that housing options are available in the communities in which people have existing networks. People in need of social housing hail from every town and suburb in Victoria. In these communities, they have natural supports, from friends, family and service providers, to the small things that make communities meaningful – favourite parks, culturally appropriate foods, or that supermarket attendant with whom they always have a chat.

Secondly, concentrations of social housing and disadvantage can cause social ills. Where concentrations of disadvantage exist, fewer opportunities are open to people in the local area. Heterogenous communities support heterogenous economies, and heterogenous networks.⁴ By contrast, dense housing in which multiple residents have incompatible needs, can fail to support people's health, mental health, and social wellbeing.

'Living in community housing has been a bit of a hard experience, because everyone around me is dealing with their own issues, and that comes into play in the common areas, and it gets really hard when people are dealing with their drug addictions and

mental illnesses, and they're dealing with it in less helpful ways than you are. Putting people who have experienced certain levels of trauma together is not a good idea.'

- Nigel Pernu, Consumer / advocate

Thirdly, it is important that we avoid concentrations of social housing, and build housing in various communities that reflects the built form of comparable new developments. In this way, we can reduce the pressure that social housing participants feel due to stigma within their local communities.

Diverse and dispersed social housing can not only support people living within their existing communities and supports, but can help people to live well, and reduce stigma.

Price. The current pricing of social housing to tenants at a proportion of income, capped at market rents, is an effective way to achieve affordability. Council to Homeless Persons supports the maintenance of the current rent system.

Recommendation 13: All social housing should meet adequacy standards. As a general rule, adequate housing is indistinguishable from other new developments.

Recommendation 14: The ten year social and affordable housing strategy should require that social housing is not built in great concentration.

Recommendation 15: That the ten year social and affordable housing strategy seek to discourage dense developments consisting entirely of social housing.

Recommendation 16: Homes Victoria should require that new social housing is visually consistent with high quality private housing.

Recommendation 17: Maintain the current rent system.

Communities

What actions will strengthen social and affordable housing communities?

'I didn't want to engage. My connection to the community was how close to the train station, places where I could get wifi without paying, and libraries where I could get books. My sense of community wasn't getting out there and meeting people, it was about how do I fit in?... Doctors, dentists, libraries, places of study'

- Cathie, Consumer / Advocate

In order to strengthen social housing communities, CHP recommends two simple principles:

1. Provide access to the services that people need
2. Recognise that most of the needs of social housing residents are similar to those of everybody else in the community.

The risk from any social housing community strengthening plan is that the intended beneficiaries of the work are othered in the process. Best practice social housing delivery avoids concentrations of social housing, instead utilising standard homes interspersed in the community, often called a 'salt and pepper' mix. However, where concentration of social housing does occur, it should be supported by community development at a neighbourhood level, incorporating the voices of social housing residents, and preventing stigmatisation.

Community housing residents indicate that they want the same things in their communities as everybody else. In terms of built design, that means access to a garden, a playground, space for a barbecue, or a library.

Similarly, they want the programs to be made available that will help them and their neighbours to thrive. These programs include positive out of hours activities for local young people; supportive mothers groups; or planned activity groups for those who are socially isolated. It is well recognised that young people in early years, middle years, and teenaged cohorts benefit from different activities.

'Facilitating programs that reflect different life stages. For teenagers, for mums'

- Lisa Townsend, Consumer / Advocate

In order for this to be delivered, it will be necessary to develop two distinct mechanisms; one for community infrastructure, and another for community

programs. The community programs plan should take an 'ages and life stages' approach.

These two mechanisms would be in addition to the homelessness service framework recommended above, which would seek to partner across the human services to meet the specialist service needs of people experiencing homelessness, and those social housing residents with long-term support needs.

Recommendation 18: Develop a mechanism for community infrastructure contributions.

Recommendation 19: **Develop a community programs plan, taking an 'ages and life stages' approach.**

Growth

Council to Homeless Persons' primary recommendation in this submission is that growing the social housing stock must be the core aim of the ten year social and affordable housing strategy. The other subordinate themes from this discussion paper are best considered supporting elements.

This must be the essential work of the ten year social and affordable housing strategy, and indeed, of the newly formed Homes Victoria.

What actions will enable and deliver growth in social housing?

The single most important element in growing Victoria's social housing stock must be direct Government funding. For several decades Governments have sought to increase the level of social housing through low-cost measures such as property transfers, social impact bonds, or loan guarantees, each with positive, but ultimately marginal impact.

Instead, the ten year social and affordable housing strategy should set a target for properties to be delivered each year, including in the out-years of the plan. A plan is needed that would see Victoria achieve the national average proportion of social housing. This plan should include direct funding commitment for the number of properties identified, with identified alternative growth mechanisms incorporated into "stretch" goals. We discuss further mechanisms in the 'partnerships' section of this response (below).

One mechanism that stands out as having capacity to make a significant impact at the margins is mandatory inclusionary zoning. By tying new social housing development to certain forms of residential property development, Victoria can seek to bolster its efforts to ensure that social housing grows as a proportion of all stock.

Inclusionary zoning is a mechanism whereby developers of private housing are required to provide social housing (public or community housing) as part of housing developments. Victoria currently has voluntary mechanisms in place for inclusionary zoning. Consistent with Australian⁵ and international evidence⁶ that shows that voluntary inclusionary zoning requirements are ineffective, Victoria's inclusionary zoning program has had negligible outcomes to date.⁷

Victoria's voluntary inclusionary zoning mechanism has long been touted as a trial pilot program.⁸ The inference has been that a mandatory inclusionary zoning scheme has been under consideration. Now that Victoria has a dedicated housing authority in Homes Victoria, it is time to adopt a mandatory inclusionary zoning scheme.

Recommendation 20: Prioritise direct funding of new social housing developments.

Recommendation 21: Institute mandatory inclusionary zoning.

What do we need to do to ensure housing supply meets the needs of people with specific support and housing needs?

It is incumbent on Homes Victoria to ensure that a diversity of housing stock with support is delivered, in order to meet the specialised needs of many people on the Victorian Housing Register. To ensure that these specific needs are met, Council to Homeless Persons believes that a framework for homelessness services is required.

A homelessness framework should identify the social housing and support models needed for people with specific support and housing needs. Dedicated funding rounds could then target the delivery of this housing and support.

Dedicated funding rounds for groups who have specific housing needs, such as young people, or people with high and complex needs due to disability, would direct the skills and enthusiasm of the community housing and community services sectors to delivering the housing and support that can improve the lives of people with specific needs.

Recommendation 22: Develop a homelessness service framework that includes the development of specialist housing and support models for cohorts, including young people, and those with high and complex needs due to disability and dedicate funding to the delivery of such social housing models.

What do we need to do to enable a well-functioning affordable housing system that provides rental and home ownership opportunities for those that need them?

An interest only loan, where you just pay the interest and not the principle, can be a lot more affordable than rent. The running costs are a lot more affordable. If they HOUSED people FIRST, even if you didn't pay off the entire principle, you're still better off over 50 – 60 years.

- Cathie, Consumer / advocate

An opportunity exists for Homes Victoria to develop shared equity programs with social housing residents, in order to promote home ownership opportunities. Such a program would need to be carefully targeted in order to avoid inflationary pressure on house prices.

Such a program should be designed to be consistent with *Mana-na worn-tyeen maar-takoort*, the Victorian Aboriginal housing and homelessness framework. In so doing, such a scheme could begin to address the disparity in housing equity among Victoria's Aboriginal and Torres Strait Islander community, and the resultant limitations in financial opportunity.

Recommendation 23: Explore opportunities for a shared equity scheme that **won't have an inflationary effect** on the price of housing.

Recommendation 24: Consider a shared equity scheme consistent with *Mana-na worn-tyeen maar-takoort*.

Partnerships

How do we strengthen our partnership approach to build a stronger and more effective social and affordable housing system?

While it remains critical that direct Government funding be made available to fund the development of sufficient new social housing, further gains can be made through partnerships. Critical partners, alongside the Victorian Government, will include local governments, the Federal Government, private developers and the investment sector.

Local government has long requested more powerful tools to promote housing affordability.⁹ An opportunity exists to extend the role of local government in social housing beyond their existing roles in donating Council owned land, and service coordination. This should include through our previously stated recommendation of creating mandatory inclusionary zoning mechanisms.

The Federal Government has traditionally been Australia's major funder of social housing. The current Federal Government commitments to social housing are insufficient to prevent a decline in the social housing stock relative to overall housing. The result is ever diminishing access to social housing for those who need it, and longer waiting times. The Victorian Government should continue to advocate for greater commitments to social housing from the Federal Government.

Beyond funding for social housing, there are other roles that the Federal Government can play. Perhaps prime among these is to reduce the inflationary pressures that negative gearing and capital gains tax offsets have on the price of housing. Such schemes not only worsen housing affordability, increasing homelessness, but they are staggeringly expensive; the Federal Government spends over \$11 billion per year tax cuts¹⁰, compared to approximately \$3 billion on all social housing and homelessness services. This too must end.

Lastly, in a market where there is little cost difference between median rental prices and the cheapest end of the market,¹¹ but a great difference in quality, the Federal Government can improve the comparative access to rental properties of those on the lowest incomes by increasing both Commonwealth Rent Assistance, and indeed all income support payments.

'One of the things that really helped me, was getting on the DSP (Disability Support Pension). That raise from \$350 a fortnight to \$700 a fortnight has helped me to engage with heaps more activities. It needs to be put on the agenda.'

- Nigel Pernu, Consumer / advocate

If the ten year social and affordable housing strategy is to truly deliver on dispersed social housing, including salt and pepper mixing throughout larger developments, then private developers will be an essential partner. This will be one of the most complex and most meaningful pieces of work that Homes Victoria can undertake. It has the potential to make the difference between the Big Housing Build being an unqualified success, or a mixed success.

The investment sector may also prove to be an important partner in the delivery of the ten year social and affordable housing strategy. In particular, large investors have an appetite for the sort of low risk, small but consistent yield investments that affordable housing represents. The major limitation to date has been the complexity of bringing such investments to an appealing scale. Should Homes Victoria succeed in facilitating such investment, it would allow the greater focus of Government funding to be directed to social housing, rather than affordable housing, filling the role that cannot be fulfilled by other actors.

Recommendation 25: Partner with local government to continue its existing roles in land donation and service coordination, as well as empowering them to better deliver more social housing.

Recommendation 26: Encourage the Federal Government to fund more social housing, address the inflationary effects of negative gearing and the capital gains tax offset, and increase statutory incomes and Commonwealth Rent Assistance.

Recommendation 27: Partner with property developers to deliver the salt and pepper incorporation of social housing into new developments and communities.

Recommendation 28: Partner with the investment sector to facilitate large scale investment in social and particularly affordable housing.

Engagement

How can we engage with you as we develop new initiatives over the course of this strategy?

Council to Homeless Persons would welcome further opportunities to work together on the ten year social and affordable housing strategy, and values the highly collaborative relationships that we have within Homes Victoria.

Recommendation 29: Continue to work with Council to Homeless Persons towards a future where every Victorian has access to a suitable home that they can afford.

References

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