

Establishing a 10-Year Strategy for Social and Affordable Housing

A discussion paper prepared for
sector stakeholders and partners
by the Victorian Government

SECTOR CONSULTATION PAPER



Acknowledgement

The Victorian Government acknowledges Aboriginal and Torres Strait Islander people as the First Peoples and Traditional Owners and custodians of the land and waterways on which we live and work. We honour and pay our respects to Elders past, present and emerging.

We acknowledge all Aboriginal and Torres Strait Islander peoples and their ongoing strength and resilience despite the past and present impacts of colonisation and dispossession. We acknowledge the important role that Aboriginal and Torres Strait Islander young people play in their communities and across Victoria – not only as emerging leaders, but leaders in their own right.

Australia’s Aboriginal and Torres Strait Islander peoples represent the world’s oldest living culture. We celebrate and respect this continuing culture and strive to empower Aboriginal and Torres Strait Islander young people as they draw on the strength of their community to build a bright future.

Contents

Overview	3
Introduction	3
What is in this discussion paper?	4
Have your say	4
The importance of safe, secure and affordable housing	5
About the social and affordable housing system	5
Social housing as a safety net	7
The need for a broader range of affordable options	7
Our challenge	8
We’ve laid the foundations	10
What will the strategy do?	10
Vision	11
What does success look like in the future?	11
Principles	13
People at the centre	13
Shared action and accountability	13
Maximising value	13
Sustainability	13
Focus Areas and Actions	14
People at the centre	15
Focus Area 1: Pathways	16
Focus Area 2: Communities	19
Focus Area 3: Growth	21
Focus Area 4: Partnerships	23
Next steps	25

Overview

The Victorian Government wants to engage with the community to develop a 10-Year Social and Affordable Housing Strategy that creates meaningful change.

Introduction

Every Victorian deserves a safe and secure home. It's the foundation upon which strong individuals, healthy families and resilient communities are built, grow and prosper.

However, we know that housing affordability presents challenges for many Victorians. Some households are priced out of the market, face precarious housing and experience financial hardship. Some face homelessness due to a lack of safe, secure and affordable rental accommodation. Others are forced to make significant compromises on the size, location, type or quality of the housing they live in – to such an extent that their housing exacerbates their social and economic challenges.

Social housing is a central plank of Victoria's housing response. It provides a critical safety net for people with very low incomes, many of whom experience other challenges that mean they cannot access appropriate housing in the market.

There is also a growing need for dedicated affordable housing for low and moderate income working households so that they can access employment, education and services needed to support their own – and Victoria's – social and economic prosperity.

In recent years, these challenges have been exacerbated by Victoria's unprecedented growth and change in recent years. While population growth is unlikely to be as strong, the COVID-19 pandemic and its economic impacts will put further pressure on households and the demand for social and affordable housing in Victoria.

There is an urgent need to ensure enough homes are available, in the right locations, that are accessible to all Victorians. From this foundation, all Victorians need to be able to access the health, social and economic support they need to realise their full potential. A fundamental step change in policy and delivery is needed to embed the foundations for growth and sustainability of social and affordable housing in Victoria.

The \$5.3 billion Big Housing Build is a giant step forward in responding to this challenge. The largest investment in social and affordable housing Victoria has seen will deliver thousands of new homes over the coming years, supported by reforms that will set our housing system up for the future.

But the social and affordable housing challenge will require ongoing effort over many years, extending beyond the Big Housing Build.

That is why the Victorian Government is developing a new 10-Year Strategy for social and affordable housing in Victoria. We are committed to ensuring all Victorians have access to a safe, affordable and appropriate home.

The new strategy will establish the 10-year vision for social and affordable housing in Victoria and build on the success of the Big Housing Build and other investment to date by the Victorian Government. It will establish a view on what success looks like for people, enablers of the overall housing system, and importantly the actions we need to take to get there.

There are questions throughout this discussion paper to prompt your thinking, including:

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.

PATHWAYS:

- ❓ What actions will enable people to access social housing, sustain their tenancies, and move between different housing options as their needs change?
- ❓ 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.)
- ❓ What actions will support people to find and obtain an affordable home?

COMMUNITIES:

- ❓ What actions will strengthen social and affordable housing communities?

GROWTH:

- ❓ What actions will enable and deliver growth in social housing?
- ❓ What do we need to do to ensure housing supply meets the needs of people with specific support and housing needs?
- ❓ 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?

PARTNERSHIPS:

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

ENGAGEMENT:

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

What is in this discussion paper?

This discussion paper has been developed to seek input on the 10-Year Strategy.

We know that a successful social and affordable housing system, which meets the needs of all Victorians, cannot be achieved alone. We need to hear from a wide range of people and build new partnerships to create meaningful change.

We are committed to seeking views from social housing residents to build on their lived experience of the system, the broader community, housing providers, developers, private and institutional investors, local government, community service providers and other interested members of the public to build a strategy that creates meaningful change.

This discussion paper includes an **OVERVIEW** of the importance of housing in people's lives and challenges with the current system, a **VISION STATEMENT** for the future, **PRINCIPLES** that underpin the strategy and **FOUR FOCUS AREAS** for our future work.

We want to hear from you about what you think is most important to build a social and affordable housing system that enables all Victorians to access safe, secure and appropriate housing.

HAVE YOUR SAY

Between 9 February and 9 April 2021, you can provide a written submission on the Engage Victoria website. Your feedback will inform the future of social and affordable housing in Victoria.

The importance of safe, secure and affordable housing

Housing is a critical enabler of individual, social and economic outcomes for Victorians.

For individuals and families, safe, stable and affordable housing is a foundation for being able to live the life that they want.

Access to housing improves life outcomes by increasing social inclusion, improving educational outcomes, enabling better access to jobs and services, and improving physical and mental health. Housing gives people the stability they need to access opportunities, to participate in the economy and to build their social and economic prosperity.

A stable home also improves health outcomes for people who are homeless or at risk of homelessness and delivers longer term economic benefits.

Housing that is well-designed, of good quality and is well-located, close to jobs and mixed communities, can also accelerate urban productivity and reduce concentrations of disadvantage.

About the social and affordable housing system

The social and affordable housing system is the collective response by government, the community housing sector and industry to provide housing options for people who are unable to access the private housing market – either to rent or to buy.

It is comprised of both public housing, community housing and affordable housing (on the next page).

The social and affordable housing system, which is the focus of the 10-Year Strategy, sits alongside specialist responses for people at risk of or experiencing homelessness as well as the private housing market, from which most Victorians' needs are met.



What is the housing continuum?

The housing continuum describes the range of housing options available in the community. It recognises that there is no one-size-fits-all solution when it comes to housing. There are a range of factors that impact the ability of an individual or household to access housing and there must be a range of options available in the market to respond to different types of need. Where there are gaps in the market, government, the community sector and private industry can play a role in addressing these gaps, such as through social or affordable housing (as defined below).

'Social housing' is a term that describes rental housing provided either by government or the community housing sector and supported with a subsidy of some kind. Rents in social housing are typically set as a percentage of income. Social housing is an umbrella term that encompasses both *public housing* and *community housing*.

Public housing

Public housing is housing owned and managed by government. The government provides public housing to eligible Victorians including people who are unemployed, on low incomes, live with a disability or a mental illness, or who are at risk of homelessness. There are currently around 65,000 public housing properties in Victoria.

Community housing

Community housing is housing owned or managed by community housing providers. Community housing providers are highly regulated, not-for profit organisations that specialise in housing the diverse range of tenants that require both social and affordable housing. There are currently around 17,000 long-term community housing properties in Victoria, including 2,000 Aboriginal community housing properties.

Affordable housing

Affordable housing is a broad term describing housing suitable for the needs of a range of low to moderate income households and priced (whether purchased or rented) so these households can meet their other essential living costs.

Figure 1: The Housing Continuum



Social housing as a safety net

Social housing – comprising both public and community housing – is Victoria’s core response for people who cannot access or sustain housing in the wider market.

By providing secure, stable and affordable rental housing, the social housing system ensures that Victorians have a safety net when times are tough and a foundation to improve their circumstances.

Social housing acts as a pathway for our most vulnerable people, including those who are homeless or at risk of homelessness, to gain shelter. It provides long term accommodation for those who need it. It also offers an important step to transition into the private rental market or, in some instances, home ownership.

While social housing provides important stability, it alone does not guarantee good outcomes for people and their families. We know that housing must be accompanied by a range of other measures such as access to education, jobs and healthcare to move people beyond crisis to independence. To achieve this, a coordinated effort across service systems, service delivery partners and government is needed.

The need for a broader range of affordable options

While social housing is the core response within this discussion paper, a range of complementary affordable housing options are needed to respond to the different circumstances of people who need some form of lower cost housing.

There is a chronic shortage of affordable private rental properties across the state, and there are very few dedicated affordable rental homes available that can provide an alternative to, or pathway out of, social housing for those that need it.

Affordable housing can mean rental and ownership options for low to moderate income households who would ordinarily be unable to enter the private housing market without assistance. It can support low to moderate income households, including key and essential workers, who are unable to access or sustain housing in the private market.

Secure affordable housing can also offer additional choice for those seeking to transition out of social housing to build independence and participate in the private rental market and home ownership.



Our challenge

Many Victorians experience housing affordability challenges. This is most acute for those on lower incomes who are finding it increasingly difficult to find housing that they can afford. In September 2020, just 14 per cent of new lettings in Victoria were affordable to lower income households. While some prices in the rental market have softened, the impact of rising unemployment is likely to exacerbate affordability pressures in the immediate future.

HOUSING SUPPLY HAS NOT KEPT PACE WITH DEMAND. The biggest challenge in the face of these pressures is that our social housing supply has not kept pace with demand. Victoria has the lowest proportion of social housing in Australia, at 3.0 per cent of all dwellings compared to the national average of 4.2 per cent. Boosting supply so that it moves toward the national average is one of our most important challenges to address through this strategy.

LEADING TO LONG WAITING LISTS FOR HOUSING. The lack of supply and low affordability in the wider market has led to long waiting lists for social housing. There are over 48,000 households currently registered for social housing through the Victorian Housing Register, of whom 25,800 require urgent assistance. At the same time, there were only 4,780 new social housing allocations made in 2018–19.

A CHANGING PROFILE OF NEED. At the same time the composition of our social housing stock no longer reflects the needs of Victorians. The profile of Victorians seeking and living in public and social housing has changed over the last 40 years:



A significant and increasing proportion of households are smaller and include singles or couples with no children.



More elderly, single, economically and socially disadvantaged people are tenants of social housing.

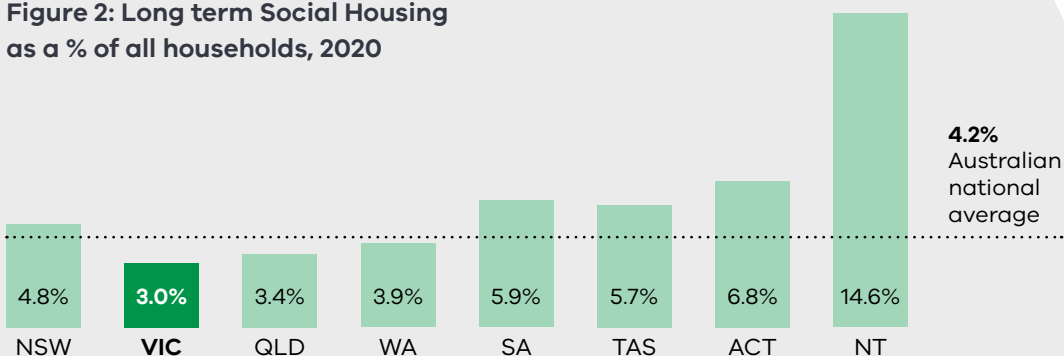


A higher number of residents live with complex issues such as disability, mental health or drug and alcohol issues, or have escaped family violence.



Approximately 50 per cent of public housing allocations are people who are homeless or at risk of homelessness.

Figure 2: Long term Social Housing as a % of all households, 2020



The economic impact of coronavirus (COVID-19)

The coronavirus (COVID-19) pandemic represents the biggest economic shock the world and Victoria have experienced since the Great Depression.

The impact on employment has been severe and is expected to be long-lasting. In the September quarter, Victoria's unemployment rate could rise to 9 per cent with job losses peaking at around 200,000. Falls in employment and income levels will place a greater number of Victorian households under financial stress and place those households at risk of losing their housing, particularly amongst those in the private rental market. This is likely to increase demand on the social and affordable housing system.

A NASCENT AFFORDABLE HOUSING MARKET.

There is also very little dedicated affordable housing in Victoria. The only supply of any scale is from homes delivered through the National Rental Affordability Scheme, which at its peak included almost 6,000 homes. However, many of these homes will disappear as the scheme concludes by 2025–26.

The shortage of social and affordable housing makes it difficult for people to access the housing options or pathways they need. It is also a major challenge for our homelessness system, which supports more than 100,000 people per year. While it is very effective at supporting those who are at risk of homelessness, it cannot always assist people who are already homeless due to the lack of social and affordable housing.

Affordability pressures also affect home ownership rates and the experience of those in the private rental market. Saving for a deposit and paying for a home loan is a challenge for many Victorians. Increasing numbers of Victorians – particularly young and lower income Victorians who are first home buyers – are being locked out of home ownership. New mortgages to first home

buyers have declined from an average of 20 per cent over the last decade to a rate of 14.7 per cent. For those that can access the housing market, many people can only achieve this in areas with reduced access to employment, public transport and services.

The impact of fewer young people entering home ownership is resulting in inter-generational inequity. It is also leading to greater demand within the private rental market. Key and essential workers may not be able to afford to rent or buy a home close to their place of work.

In recent years, Victoria has been through a period of unprecedented growth and change. Our population passed 6.6 million in June 2019 and is forecast to grow to 11.2 million by 2056, and this has put pressure on housing affordability. While the impact of population growth is dampening, coronavirus is contributing to more households under pressure.



We've laid the foundations

The \$5.3 billion Big Housing Build marks a huge step forward for investment and reform of social and affordable housing, which provides a key platform to build from.

It is on top of a suite of housing and homelessness investment since the release of *Homes for Victorians* in 2017, to ensure Victorians have a safe and secure roof over their heads.

Key initiatives include:

- Almost \$500 million to maintain and upgrade community and public housing across Victoria through the Building Works package.
- \$150 million From Homelessness to a Home package will extend current emergency accommodation, provide tailored and flexible client support, and help them access stable, long term housing.
- \$112 million for energy efficiency upgrades to 35,000 social housing properties.
- Nearly \$25 million in emergency housing, private rental assistance and COVID-19 isolation and recovery facilities.
- \$120 million in Rent Relief Grants to support private renters experiencing financial hardship during COVID-19.
- \$1 billion Social Housing Growth Fund to create up to 2,200 new dwellings and leases over five years.
- \$1.1 billion of low interest loans and loan guarantees for the Building Financial Capacity of Housing Agencies initiative.
- \$209 million Building New Homes to Fight Homelessness (1,000 homes) initiative.
- \$185 million Public Housing Renewal Program.
- \$152 million family violence housing package.
- The community housing sector has delivered 1,033 additional social and affordable homes across 95 projects in Victoria since 2010.

What will the strategy do?

There is an urgent need to ensure enough homes are available, in the right locations, and accessible to all Victorians. This includes growing social housing, as well as facilitating affordable options that bridge the gap between social housing and the private market.

The types of housing and assistance we provide need to meet the growing and increasingly diverse needs of our population. A wider range of housing options will also reduce pressure on social housing, enabling it to be provided to those who need it most, in the most effective way.

We need to combine the collective strengths of community housing and not for profit sectors, private industry and government at all levels to address this need.

This strategy sets a 10-year vision for social and affordable housing in Victoria, which sits outside the wider housing market and is specifically targeted towards people who need it. The vision aims to deliver a generational change for people that will establish a sustainable and high performing social and affordable housing system. In turn, this will also reduce pressure on the homelessness system so that it can respond more effectively to those in need.

This strategy provides a framework to guide action by those that are a part of the social and affordable housing system over the next 10 years. It complements current and emerging efforts to support Victorians in need, including homelessness responses, victim survivors of family violence, people with disabilities or mental illness, and Aboriginal Victorians.

VISION

Our vision is for all Victorians to have access to a safe, affordable and appropriate home.

Every Victorian deserves a safe and secure home. It's the foundation upon which strong individuals, healthy families and resilient communities are built, grow and prosper.

We want all Victorians to live in safe, secure and affordable housing that is well-located and within vibrant, diverse, resilient and inclusive communities. We want people to live in houses that are built for the future; well-designed and environmentally sustainable. We want social and affordable housing communities to be connected to transport, employment, education and other essential services. We want people and families to be empowered to make decisions that affect their communities. We also want people to be able to understand what housing options are available, be able to make choices about their housing, and access support when they need it.

To deliver this vision, we need a social and affordable housing system that is person-centric, robust, resilient and innovative, with transparent oversight and regulation. We need housing and support options that are culturally-responsive and designed to respond to different needs.

Everyone involved in social and affordable housing will need to work together to achieve our vision. Each partner and stakeholder will play a role in achieving the vision, including all levels of government, the community housing sector, industry and the community, and most importantly the people who need and use the system.

This vision is aspirational, will be achieved over time and in a staged approach as capacity of the system grows and as the system matures.

What does success look like in the future?

This strategy will deliver a generational reform to the provision of social and affordable housing in Victoria. The successful achievement of the vision will require significant support and growth in capacity from all organisations that contribute to the supply of housing.

What success looks like will also be different for each actor in the system.

FOR PEOPLE IN NEED OF AND LIVING IN SOCIAL AND AFFORDABLE HOUSING, it will mean access to a home that is safe, secure and affordable. When people or households need housing assistance, they will be able to recognise what options are available to them locally and the costs associated with those options, know how to





access them and are provided support to do so, both as they enter and exit the system.

Those living in social and affordable housing will live in homes that are built for the future, and are well-located and within thriving, diverse and inclusive communities. Tenants will have a stronger voice in driving what the system looks like into the future.

Low-and moderate-income workers will be able to access housing that they can afford, is appropriate, and enables them to access work, transport and key services.

THE COMMUNITY will recognise the importance of social and affordable housing as part of their neighbourhoods and embrace housing diversity as an integral part of a vibrant and productive community.

SOCIAL HOUSING PROVIDERS, across government and the community housing sector, will work together to respond to the needs of clients and to deliver the growth in housing that's required.

The future system will be multi-provider, with a strong public housing system working alongside a larger community housing sector, which will be the focus and driver of future growth.

The multi-provider system will be enabled through policy and regulatory certainty. All actors will be accountable for delivery, including their responsiveness to the needs of tenants and the wider community.

PRIVATE SECTOR PARTNERS will increasingly play a role to develop social and affordable housing. Success will mean they work collaboratively and in partnership with community housing providers and government to deliver high quality housing that meets the needs of residents. They will be confident investing in the sector and will be supported to do so through clear government priorities and objectives.

LOCAL GOVERNMENTS will have mechanisms to work in partnership with the Victorian Government, community housing providers and other actors to support the growth of social and affordable housing. This relationship will recognise the many roles local governments have in planning, engagement with their communities and delivery of local services. A future constructive partnership will deliver reform and improve the way in which social and affordable housing is planned and delivered.

BROADER HEALTH AND COMMUNITY SERVICES will be involved in providing the other supports that social and affordable housing tenants need. Social housing providers and these providers will work together to ensure people have the supports they need to maintain their tenancies, to improve their health and wellbeing, and to participate in Victoria's social and economic life.

Principles

This strategy is underpinned by the following four principles:

People at the centre

Social and affordable housing must be designed and delivered in a way that is responsive to the needs of different people, including those who face challenges in addition to affordability, such as disability, family violence or mental illness, as well as the broader community. This starts with how we plan and design housing responses; it is reflected in how we support people to navigate their housing options; and it will be enhanced by embedding the voice of our clients in all that we do. We will understand the needs of the different people who need and use housing to ensure we respond appropriately.

Shared action and accountability

To achieve the vision, government, service providers, private businesses and the community must work together. We will work creatively and combine our strengths to get the best outcomes and value. An important part of delivering on this principle will be to develop capability and capacity in all of the organisations who play a role in planning and delivering social and affordable housing – across government, within the community housing sector, and with other housing stakeholders. There must also be clear roles and responsibilities for all actors and shared accountability in delivering on the vision.

Maximising value

Initiatives under this strategy must be delivered in a way that is informed by data and evidence and delivers the best outcomes and value for Victorians. We will be open to trying new and innovative approaches and are committed to evaluating and learning from what we have done in the past. We will also ensure there is strong and transparent governance around investment to ensure value-for-money outcomes and streamlined delivery of projects.

Sustainability

For social and affordable housing to grow at the pace we need, our housing providers – both government and community housing sector – need to be on a sustainable footing to deliver growth. This means we need to ensure government and the community housing sector have the capacity and capability to scale up for growth. It also means we need vehicles that support continued investment, and that we utilise efficient and scalable delivery models to deliver growth. Sustainability also means that homes are climate adapted, water and energy efficient, incorporating best practice design to ensure they are built for the future.

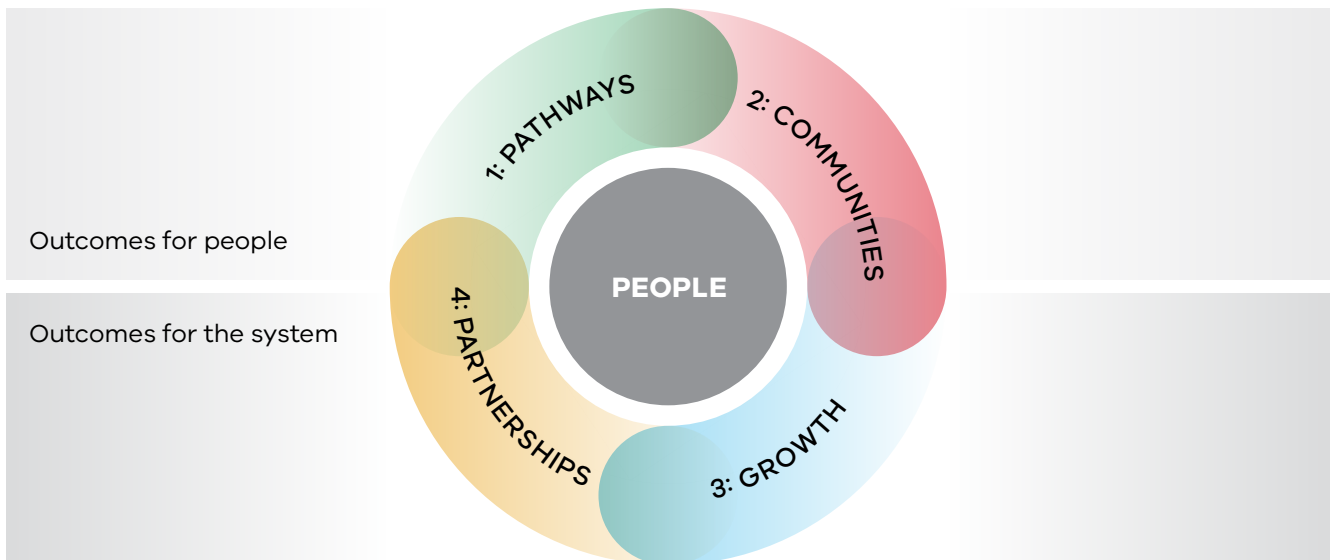
Focus Areas and Actions

This strategy seeks to achieve a step-change in the social and affordable housing landscape. We want this to occur in a planned and collaborative way that plays to the strengths of all parties. The future will be based on shared goals and co-investment, and with the target of effectively responding to the needs of our clients and people, and building thriving and prosperous communities.

Action will be undertaken across four focus areas:

- **PATHWAYS:** Providing information and support to people to access the housing they need, sustain their tenancy and to move to sustainable housing.
- **COMMUNITIES:** Enabling tenants to live in housing that is built for the future, with access to social and economic opportunities and within diverse, inclusive and vibrant communities.
- **GROWTH:** Growing the supply of social and affordable housing to meet need.
- **PARTNERSHIPS:** Partnering across all levels of government, the community housing sector, industry and the community to deliver the vision.

Our pathways and communities focus areas are centred around outcomes for people while our growth and partnerships focus areas are key enablers of a more robust, effective and resilient social and housing system.





People at the centre

This strategy places people at the centre to ensure that our collective efforts will lead to improvements in the lives and experiences of the people who need and live in social and affordable housing.

The strategy affirms our ongoing commitment to seeking, hearing and responding to the voice of people who use social and affordable housing, people who are waiting to access the system, as well as the voices from local communities.

This strategy seeks to embed how we understand and measure what will change for people over the course of the next ten years.

? 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.

Engagement, involvement and participation of residents is our core business.

In Victoria, large scale surveys of public housing residents have not been common practice. Going forward we are committed to asking our residents about what they think about their housing and our services, feelings of safety and security, connection to community and community diversity and participation through regular surveys of all residents across the state. The Homes Victoria survey is the largest single jurisdictional survey of public housing residents in the country.

The information collected in the survey will help Homes Victoria have a better understanding of people's views, experiences and needs. We will use the survey findings to plan better services in the future and engage with you on what issues matter the most to you and the community.

Focus Area 1: Pathways

A successful housing system enables people to access the housing and support they need, at the time they need it. This includes being able to sustain their current home or move between different housing when they face new challenges or as their circumstances improve.

Our current social and affordable housing system makes it difficult for people to access these housing pathways. There are over 48,000 households currently registered for social housing, many of whom have been waiting for years. There is a chronic shortage of affordable private rental properties across the state, and there are very few dedicated affordable rental homes available that can provide an alternative to, or pathway out of, social housing for those that need it.

The impact is evident in our homelessness system, which supports more than 100,000 people per year. It is very effective at providing an early intervention response for those at risk of homelessness, with more than 90 per cent of people in this situation able to maintain housing during 2019–20. However, the lack of social and affordable housing supply is a much greater challenge for those who are already homeless: only 30 per cent of people in this situation were able to access housing during 2019–20.

Similarly, there are very few affordable opportunities for those unable to access home ownership. The lack of long-term housing options has meant that at times there has been too much emphasis placed on providing short-term, crisis accommodation rather than investment in long-term housing options.

There is also a need for differentiated, tailored responses for people requiring specialist support and housing, including people with mental health issues, experiencing family violence, living with a disability, leaving out of home care or leaving corrections.

We know that for people to move to sustainable housing, they need: adequate and available information and supports; appropriate, secure and affordable housing options in the right locations; and streamlined services that are easy for clients to navigate. While many of the building blocks already exist in Victoria, more needs to be done.

We want people to know how to access housing options or assistance that meet their needs. These may include social housing, affordable rental housing, private rental housing, or home ownership.

Once in a home, we want people to be able to sustain their living arrangements and build upon the foundations of secure housing to lead a life they value.

A key part is ensuring the right support is available at the right time to help people access the housing option that best meets their needs and circumstances.



WHAT DO OUTCOMES LOOK LIKE IN 10 YEARS TIME FOR PEOPLE WHO NEED SOCIAL AND AFFORDABLE HOUSING

- People recognise the housing options available to them and are empowered to make informed decisions and choices.
- People have access to housing that meets their needs for the duration they need it.
- People are provided with tailored support to sustain their tenancy and when they need additional assistance.
- People can access tenancy support early if they have difficulty, enabling them to maintain their home.
- People have the ability and support to participate in education and employment.
- People with complex needs can access holistic packages of housing and support.
- Specialised housing and accommodation responses are available for those whose needs can't be met through mainstream housing such as a social housing or private rental.

Actions already underway that contribute to these outcomes include:

- Homes delivered through the Big Housing Build will assist around 2,000 people living with mental illness, almost 1,000 survivors of family violence, and ten per cent of new social housing properties will be for Aboriginal Victorian households.
- Major projects under the Big Housing Build will create jobs for public housing tenants.
- The existing Tenancy Plus program provides support to help public and community housing tenants sustain their tenancy.

Example Case Study: Housing supports play an important role in sustaining tenancies

Five years into a tenancy, rent arrears began to escalate for Lisa. A Housing Services Officer gets in contact with Lisa and makes a referral to a local tenancy support service.

Working together, Lisa and Annabel from the local support service identify that Lisa is experiencing challenges in keeping up with rent payments due to frequent changes to her casual employment, financial difficulties due to short term loans and that she was fearful of contacting Centrelink due to previous experiences.

Annabel is able to assist the Lisa with financial counselling, arrange and support contact with Centrelink staff and then negotiate manageable debt repayment agreements with the local housing office.

As a result, Lisa is able to remain in long term housing and sustained engagement with the local housing office.

WE WANT YOUR INPUT INTO ACTIONS THAT WILL ENABLE PEOPLE TO ACCESS SOCIAL AND AFFORDABLE HOUSING, SUSTAIN THEIR TENANCIES, AND MOVE BETWEEN DIFFERENT HOUSING OPTIONS AS THEIR NEEDS CHANGE. THIS INCLUDES HOW WE CAN:

- Make information for social and affordable housing more easily accessible and available to people who need it, in a format that works for them.
- Better support people awaiting housing on the Victorian Housing Register, including improvements to the way applications are registered and managed as well as the options provided to people awaiting housing.
- Reduce barriers to accessing and maintaining social and affordable housing, including matching people to housing and helping people to navigate available housing options and existing housing support programs.
- Better connect housing, health and other human services so that people with multiple or complex needs can access and sustain housing.
- Understand what the most important features of new affordable housing is (e.g. price, location, tenure, access to transport or daily amenities, connection to support services etc.).
- Assist people with specific housing and support needs that cannot be met through mainstream social housing or the private market, such as those in contact with justice, mental health or out of home care settings, or people who need disability accessible accommodation.

Question for public consultation:

- ❓ What actions will enable people to access social housing, sustain their tenancies, and move between different housing options as their needs change?
- ❓ 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.)
- ❓ What actions will support people to find and obtain an affordable home?



Focus Area 2: Communities

Victoria prides itself on being a diverse state that includes and embraces people from different cultures, incomes and walks of life. This diversity exists between and within our communities, but we need to work hard to preserve it as our state grows. Increasing house prices make it harder for some low- and moderate-income households to live in places they have called home for many years.

While all communities grow and change over time, we want to ensure that all Victorians can continue to be part of their community, to build on the networks and connections they have built, and to access the jobs and services that they need. Social and affordable housing can play a key role in preserving this diversity in existing communities and embedding it in new ones.

We also want to create social and affordable housing communities that are built for the future, with well-maintained, well-designed and environmentally sustainable housing that can be adapted to the needs of different people and households. Well designed and energy efficient housing will reduce utility costs to tenants, which is especially important for low income Victorians.

To do so, we will work across all levels of government and with our community sector partners to build communities and precincts that are connected to services, transport and work. We will seek to join up both new housing projects and renewed housing with services to build social infrastructure and diverse yet cohesive communities.

WHAT DO OUTCOMES FOR SOCIAL AND AFFORDABLE HOUSING COMMUNITIES LOOK LIKE IN 10 YEARS TIME

- People live in housing that is affordable.
- People live in safe, quality housing that meets their needs.
- People live in houses that are environmentally sustainable and built for Victoria's climate future.
- People can access transport, employment and other essential services.
- People are connected to culture and community.
- People live in vibrant, diverse, inclusive and resilient communities.
- People embrace social housing as part of their community.

Actions already underway that contribute to these outcomes include:

- Revitalising existing social housing through maintenance and upgrades to improve the experience of residents, through initiatives such as the \$500 million *Building Works Package* and the \$112 *Social Housing Energy Efficiency Upgrades* program.
- Leading the nation in well-designed and environmentally sustainable housing by ensuring all new housing meets 7 stars NaTHERS.
- Increasing Victoria's investment in an affordable housing portfolio to address market failures in some areas by providing long term secure rental properties that working Victorians can afford. This includes nearly 3,000 affordable rental homes as part of the Big Housing Build and \$500 million towards the Victorian Homebuyer Fund, which will provide Victorians with a pathway to home ownership.
- The \$2.7 billion Building Works package for shovel-ready projects to create jobs and benefit communities across the state. More than half of the projects are in rural and regional


Victoria and investment includes projects in two of Melbourne's Priority Precincts, as well as expanding the suburban revitalisation program and ensuring communities have the training and sporting facilities they need to stay healthy, active and connected.

- \$7.5 million for the Pathway to Recovery model at North Melbourne and Flemington that focuses on a new way of working and shared accountability, where residents have input into the decisions that impact their homes, neighbourhoods and their services.

WE WANT YOUR INPUT ON ACTIONS THAT CAN STRENGTHEN SOCIAL AND AFFORDABLE HOUSING COMMUNITIES TO HELP:

- Create the foundations for strong and resilient social housing communities.
- Address stigma and strengthen connections between social housing residents and the wider community.
- Deliver new social and affordable housing that has access to jobs, public transport and services.
- Embed significant social and affordable housing into Melbourne's Priority Precincts, providing access to economic and social opportunities.
- Better connect health, education, training and community services with social and affordable housing providers and residents.
- Design social housing for the future, including buildings that are environmentally sustainable and can be adapted to the needs of different people and households.

Question for public consultation:

-  What actions will strengthen social and affordable housing communities?



Focus Area 3: Growth

Housing affordability issues are present in capital cities and main economic centres across Australia. In Victoria, these are more pronounced due to prolonged housing price growth, particularly in areas that are close to critical social infrastructure and employment.

As the proportion of social housing has declined relative to other housing, people who are in precarious housing circumstances become increasingly marginalised in the broader housing market. With the lowest proportion of social housing of any Australian state, Victoria has work to do to ensure that new and renewed social and affordable housing options are made available to those who need it. Over 4,000 homes per year – more than 60,000 in total – are needed for Victoria social housing to reach the national average of 4.2 per cent of social housing to total dwellings.

The \$5.3 billion Big Housing Build and establishment of Homes Victoria provide a huge boost to these efforts, which will increase Victoria's social housing stock by more than 8,000 homes or ten per cent over the coming years. But ongoing effort will be required to sustain this effort and reach towards the national average.

Growth presents an opportunity to provide the right properties in the right locations for the people who need them. As we do, we need to ensure we have different options available to meet the circumstances of different people, safeguards in place to protect people entering housing and we need to establish ways to sustain growth over time.

WHAT DOES A LARGER SOCIAL AND AFFORDABLE HOUSING SYSTEM LOOK LIKE IN 10 YEARS TIME?

- The number of social and affordable housing properties in Victoria is reaching towards the national average.
- New homes are built in the right locations and are sufficiently diverse to meet need.
- An ongoing and predictable funding stream for growth delivers more housing efficiently and effectively.
- The structure and operation of the social housing system is financially sustainable.
- There is robust and transparent oversight and regulation of the housing system to enable growth and ensure quality outcomes for residents and communities.
- Multiple levers are used to achieve growth, including maximising access to land and finance.
- The planning system enables and facilitates the provision of social and affordable housing.
- A range of partnership and development models bring together the government, community and private sectors to deliver growth and quality outcomes for residents.

We have committed to a range of actions and investment that set us on a path towards this vision, including:

- Over 12,000 new homes as part of the \$5.3 billion Big Housing Build to grow the supply of social and affordable housing in Victoria to stimulate the economy and deliver much needed housing.
- Planning amendments to enable fast tracked planning of social housing in the Big Housing Build.
- Establishing an independent review into Victoria's regulatory system to improve resident and community outcomes, enable growth and reduce regulatory burden on the delivery of social and affordable housing.
- Commissioning a Ministerial Advisory Committee to investigate possible models and options to facilitate the supply of affordable housing through the Victorian Planning System.
- HomesVic Shared Equity Initiative for first home buyers to purchase a home and qualify for a home loan with a deposit of 5 per cent or more.

WE WANT YOUR INPUT ON ACTIONS THAT WILL ENABLE AND DELIVER GROWTH IN SOCIAL AND AFFORDABLE HOUSING, INCLUDING HOW WE CAN:

- Facilitate larger scale investment in social and affordable housing.
- Ensure housing supply meets the needs of people with specific support and housing needs.
- Enable a well-functioning affordable housing system that provides rental and home ownership opportunities for those that need them.
- Help people to enter the housing market, including ways in which we can support people to own their own home.
- Develop a better understanding across all levels of government of what land is available for new social and affordable housing development.
- Move funding from individual projects to new commissioning models that support capability development and reduce overheads.
- Create policy and funding settings in the social housing system that support sustained growth towards the national average of social housing dwellings.
- Promote housing as a career pathway to attract and retain workers within the sector.

Questions for public consultation:

- ❓ What actions will enable and deliver growth in social housing?
- ❓ What do we need to do to ensure housing supply meets the needs of people with specific support and housing needs?
- ❓ 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?



Focus Area 4: Partnerships

Everyone involved in social and affordable housing will need to work together to achieve the vision. Each partner and stakeholder will play a role, including all levels of government, Homes Victoria, the community housing sector, service providers, industry and the wider community.

The future is one where community housing providers will play a central role in delivering growth, improving diversity and choice to the social housing system. The public housing system will remain a central part of the system, maintaining its current stock levels and benefiting from increased investment in renewal, upgrades and maintenance.

Partnerships with local government will be especially important in the period ahead, guided by a *Social and Affordable Housing Compact* between Homes Victoria and local governments. The compact and these partnerships will recognise the importance of public housing,

community housing and local government working together to deliver housing growth.

Partnering with the Victorian Aboriginal community will be a key part of this strategy to ensure that their housing needs are met. Housing responses for Aboriginal people will be developed through a lens of self-determination, giving the Aboriginal community greater influence and control over their design and delivery. Our efforts will be informed by *Mana-na woorn-tyeen maar-taarkoort: Every Aboriginal Person has a Home*, the Victorian Aboriginal Housing and Homelessness Framework, which was developed by and for the Aboriginal community.

This strategy's model into the future will be one of a trusted partnership where we work closely to design solutions and evaluate outcomes.

Case Study: Aboriginal Rapid Housing Response

A \$35 million building package will refurbish and improve up to 2,000 homes for Aboriginal Victorians. The package was developed collaboratively by Aboriginal Housing Victoria (AHV) and other Aboriginal Community Controlled organisations (ACCOs), consistent with the principles of self-determination. It will be delivered by a consortium of 18 ACCOs, led by Aboriginal Housing Victoria.

The investment will strengthen the Aboriginal Housing Sector's capacity to manage and develop its housing stock and provide some 2,000 Aboriginal Victorians with modern housing that supports their social, cultural, health and economic prosperity.

The package will also support the long-term sustainability of the Aboriginal housing sector and generate jobs and skills for Aboriginal people and businesses throughout the state.

WHAT DO OUR PARTNERSHIPS LOOK LIKE IN 10 YEARS TIME?

- Government, community housing providers and the private sector work collaboratively to deliver growth and quality housing services that meet the needs of Victorian people.
- Improved housing projects and services, including place-based responses, are achieved by state and local government, the community housing and private sectors each deploying their unique strengths and capabilities.
- Government and community housing providers have a relationship that is based on trusted partnership.
- Public housing, community housing and local government work together to deliver ongoing growth in social and affordable housing.
- Self-determination principles and practices underpin the approach to delivering housing and services for Aboriginal Victorians.
- The performance of government, our partners and funded providers includes measures that focus on outcomes for people.
- The experience of people accessing and using the housing system informs ongoing efforts to improve services and help to identify systemic issues.

Action already underway that strengthen our partnership approaches to deliver better housing outcomes for Victorians, include:

- Establishing Homes Victoria as Victoria's new housing agency that will effectively manage public housing, renew and expand social housing, and support a sustainable housing system over the long term.
- Partnering with the community housing sector, private sector and other stakeholders to deliver more homes and better outcomes for residents and their communities through the Big Housing Build and other initiatives.
- Strengthening the relationship between social housing and with local government as essential partners in building strong and inclusive communities, including through a *Social and Affordable Housing Compact*.
- Placing self-determination at the heart of the way the housing system operates for Aboriginal Victorians, with ten per cent of all new growth in social housing delivered through the Big Housing Build being for Aboriginal Victorians, a significant proportion of which will be delivered by Aboriginal Community Controlled Organisations.
- Implementing a community housing sector development fund to support the capacity of not-for-profit housing providers.

WE WANT YOUR INPUT ON HOW TO STRENGTHEN OUR PARTNERSHIP APPROACH TO BUILD A STRONGER AND MORE EFFECTIVE SOCIAL AND AFFORDABLE HOUSING SYSTEM, INCLUDING HOW WE CAN:

- Engage with tenants, housing applicants and communities as we develop new initiatives over the course of this strategy.
- Partner with the community housing and private sectors and local government to test and explore innovative approaches that will drive social and affordable housing growth.
- Clearly define the roles and responsibilities of all stakeholders to ensure there is shared accountability in delivering on the vision.
- Support community housing providers to deliver or manage new social housing growth through the Big Housing Build.
- Embed self-determination to empower Aboriginal communities to make decisions about their own future and deliver their own programs and services.
- Embed outcome measures with our partners and funded providers and adopt outcomes-based funding models for some services.
- Improve the way we capture and measure the experience of people who need or use the social and affordable system to drive continuous improvement and the identification of emerging systemic issues.

Question for public consultation:

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

Next steps

The material presented in this discussion paper is the starting point for our discussion. We want to hear from our residents and the broader community, community housing providers, local government, community service organisations, developers, private and institutional investors and other interested members of the public to build a strategy that creates meaningful change.

We will continue to develop the new strategy throughout the consultation process. Your contribution is important in shaping the future of social and affordable housing in Victoria.

Question for public consultation:

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



www.homes.vic.gov.au
housingstrategy@homes.vic.gov.au

To receive this publication in an accessible format,
email <housingstrategy@homes.vic.gov.au>

Authorised and published by the Victorian Government, 1 Treasury Place, Melbourne.
©State of Victoria, February 2021. (2006743)

hv
homes
victoria
more homes for
more Victorians