



CHIA VIC SUBMISSION TO
HOMES VICTORIA 10-YEAR STRATEGY
FOR SOCIAL AND AFFORDABLE HOUSING
DISCUSSION PAPER

APRIL 2021

The Community Housing Industry Association Victoria (CHIA Vic) is the peak body that represents the not-for-profit community housing sector in Victoria. CHIA Vic supports the growth of community housing as the most effective and efficient means of ensuring more disadvantaged Victorians can enjoy the dignity of safe, secure and appropriate housing, by providing training, resources and support across the sector.

CHIA Vic's member community housing organisations include all the organisations registered as housing associations or housing providers under the Victorian regulatory framework. These registered CHOs make up an integral part of Victoria's social housing system, managing more than 20,000 units of rental property, over 9,700 of which are owned by CHOs.

Table of Contents

Recommendations.....	3
CHIA Vic submission – Homes Victoria 10-Year Strategy for Social and Affordable Housing Discussion Paper..	5
Background.....	5
Vision	5
Housing as a Human Right.....	5
Solutions for social housing reflect the broader housing system	6
A long-term vision requires a long term strategy.....	7
Community housing is an equal partner	7
Workforce & professional development needs	8
Growth Targets.....	9
Clear targets are necessary	11
Data led Decision Making.....	11
Affordable Housing.....	12
Tracking our progress	13
System reform	13
Programmatic rather than project-specific funding.....	14
Homes Victoria	15
Rethink Regulation	16
Victorian Housing Register (VHR)	18
Creating & Sustaining Successful Tenancies.....	18
Delivering a people-centred housing system	19
Tenant Engagement	20
Person Centred Models.....	20
Appendix 1 - Unmet Social and Affordable Housing Need Victoria 2020.	22

Recommendations

1. The State Government could provide leadership by enshrining in legislation a right to housing to reflect the draft strategy's vision **for all Victorians to have access to a safe, affordable and appropriate home.**
2. The State Government whether the plan requires a longer timeframe, with rolling shorter-term action plans.
3. The strategy requires a whole of government commitment to treat the registered community housing sector as an equal partner.
4. An active discussion is required to consider how we want the community housing sector to develop over the next decade and not have the service system design effectively done by procurement decisions.
5. The 10-year plan should include a cost v social benefit study of introducing a state-based supplement.
6. Based on the refreshed analysis CHIA Vic continues to recommend a target of 6,000 new units of social housing per year for the next 10 years.
7. Homes Vic should also look to set a target for growing the supply of affordable housing, and this target should be guided by a clearer definition of affordable housing and affordable housing need in Victoria.
8. The 10-year plan should commit to providing quality data to inform planning and investment. A place to start might be SGS Economics model commissioned by DHHS to predict housing need by cohort a few years ago.
9. CHIA Vic supports the inclusion of the tenant voice in the measurement of the progress and impact of a 10-year strategy and encourages Homes Vic to co-design a single agreed framework that can be used for this purpose.
10. As a principle CHIA Vic believes that any affordable housing that is achieved through some form of subsidy or support to the private sector should be owned and/or managed by the community housing sector.
11. Setting clear targets for social housing growth is the first step but to ensure they are achieved Homes Vic also needs to establish clear and transparent reporting processes on the progress of the strategy in delivering on its aims.
12. There is broad consensus that the community housing sector needs the following to be the engine room of this growth:
 - A pipeline of predictable and appropriate funding and financing
 - Streamlined planning processes
 - Access to third party land, through local and state governments plus community groups
 - Inclusionary zoning where the community housing sector owns/manages the resulting properties
13. The 10-year plan should contain a commitment to streamline the procurement process to implement a programmatic allocation model that is based on sector discussions on how the sector should be structured over time.
14. The 10-year plan should propose the next step in structural reform with Homes Vic detaching from DFFH to become its own entity with a broader charter.
15. A new Compact with Local Government which provides an opportunity to clarify Local Government's role in the planning and provision of social and affordable housing is required.
16. We believe that the regulatory system should be recast to include the landlords of other subsidised tenants and we suggest that the current expert panel designs an implementation strategy to bring them into the system.

17. The VHR is due to be evaluated over the next couple of years and the review should map out a 10-year program of improvements including:
 - the allocation of a property from the VHR to a person should come with the requisite level of support
 - consider the needs of applicants in the registration process
 - improvements for allocations to co-ops, rooming houses and some mental health and youth programs
 - consideration of simple matching platform for affordable housing
18. The support system requires an overhaul with greater investment, flexibility and targeting.
19. Overall, we need to build better connections between housing and support that are mutually positively reinforcing and sit alongside each other with a focal point of delivering outcomes for people.
20. Promoting genuine tenant engagement and tenant input into housing model design should be part of the plan.
21. Reimagining the rooming house model should be captured in the 10-year plan
22. In relation to climate risk the plan could consider aims such as:
 - that existing homes are adapted and retrofitted to improve their energy efficiency and decarbonise their heating, ending their contribution to climate change.
 - that all new homes delivered by Registered Housing Agencies and Homes Victoria are zero emissions homes by 2026.
 - develop a zero emissions new build affordable homes strategy by 2023 which considers both the embedded carbon of the construction process as well as the carbon emissions from the ongoing running of the home once occupied.
23. A strategy to develop the community housing sector workforce to meet the future needs of the sector is required.
24. There is a need for the provision of comprehensive ongoing professional development (including induction) that is appropriate, relevant and useful at a day-to-day level for all frontline workers.
25. CHIA Vic supports the inclusion of this Aboriginal Housing and Homelessness Framework into the 10-year strategy and the sector commits to improving the cultural safety of all of our services.

CHIA Vic submission – Homes Victoria 10-Year Strategy for Social and Affordable Housing Discussion Paper

CHIA Vic, and the community housing sector more broadly, applauds the Andrew's State Government for the biggest social and affordable housing program in the state's history, the *Big Housing Build*. The recognition of the need to develop a long-term plan that spans electoral and economic cycles is arguably equally, if not more, important and we welcome the opportunity to input into the development of a transformative 10-year plan.

Background

Australia has not had a comprehensive national housing policy since the 1940's even though the housing system plays key roles in shaping economic productivity, stability and inequality.

Abundant evidenced based research documents that the housing system has produced a triple crises of rising homelessness, growing queues for non-market, affordable housing and the pervasive affordability problems for middle- and lower-income households who depend on the private housing market. All these pressures were building well before the pandemic.¹

The high private housing debt in Australia is among the worst in the world. The International Monetary Fund (IMF) and the OECD recognise this debt as a threat to financial and economic stability. Yet the response of the Federal Government has been to point to the states for a solution and introduce the *Homebuilder* program that provides those already with a home a grant to substantially renovate their existing homes.

The development of this 10-year plan needs to be placed and understood within a broader understanding of the housing market, the roles of Commonwealth and State Governments and economic and taxation policy.

Melbourne's median house price is tipped to pass \$940,000 soon – more than 10 times the average annual full-time wage. Back in the 80s, median prices were three times an annual wage. This massive decrease in affordability places an increased pressure on social and affordability housing which cannot be fixed by a State Government alone.

Vision

The 10-year plan articulates a vision for Victoria's social housing system where 'all Victorians have access to a safe, affordable and appropriate home.' CHIA Vic applauds this vision, and we have outlined a range of areas that we recommend be considered in the final strategy.

Housing as a Human Right

Housing policy in this country requires a step change. Already in Commonwealth legislation, housing is currently referred to as a 'basic human need'. Yet despite this, consecutive governments have been unwilling to accept an obligation to address our housing needs.

1 Hal Pawson, Bill Randolph, Chris Leishman & Duncan MacLennan - After COVID, we'll need a rethink to repair Australia's housing system and the economy – UNSW – Sept 2020

The International Covenant on Economic, Social and Cultural Rights, to which Australia is a signatory, recognises the right to adequate housing in article 11. However, at a domestic level, Australia does not legally recognise a human right to housing.

According to human rights law academic Professor Tamara Walsh, the benefit of enshrining a human right to housing in legislation is that it entitles people to housing ‘as opposed to mere gratuities.’

Both France and Scotland have codified the right to adequate housing, while UK legislation places a responsibility on local government to provide housing for those in need.

Canada has recently passed a National Housing Strategy Act which affirms “the right to adequate housing is a fundamental human right”. The Canadian minister is mandated to develop a strategy “taking into account key principles of a human-rights-based approach to housing”. The government also promised to adopt legislation that would create an obligation on future governments to maintain a rights-based housing strategy.

Effectively it means the government has a duty to do everything possible within its power to create an economic and social environment in which everyone can enjoy a warm, dry, decent, affordable and accessible home.

A rights-based approach will not of itself change our housing policy in Australia but it would contribute by providing a framework for action, transparency and accountability that we currently do not have.

Perhaps Victoria can provide the leadership required by enshrining in legislation a right to housing given that the draft report puts forward a vision **for all Victorians to have access to a safe, affordable and appropriate home.**

Solutions for social housing reflect the broader housing system

This new 10-year strategy cannot *sit outside the wider housing market* as envisaged by the draft document or else it risks its impact being that of a welcome band aid without providing fundamental, lasting reform.

The new Scottish Housing Plan has prioritised homes for living in, not for accumulating wealth, and they have committed to take action so that the housing market operates fairly across Scotland, providing housing options that are affordable and offer choices in all communities. Such a guiding principle should underpin the State Government’s advocacy with the Commonwealth on negative gearing and capital gains tax; and influence state policy on short term lets such as Airbnb.

Improving housing affordability is a major policy challenge for all Australian governments. In 2018 CHIA developed a *National Plan for Affordable Housing* and identified the different areas of responsibility for the Commonwealth and State Governments. The former needs to show leadership in:

- **policy** by developing a long-term national housing plan
- **funding** via reform to CRA; and negative gearing and capital gains tax with the savings redirected to growth
- **regulation** by introducing a truly national regulatory system
- **financing** through NHFIC.

Under the new National Housing and Homelessness Agreement (NAHA), all states are required to develop social and affordable housing plans and CHIA argued that State Governments can have significant impact in

the following areas, many of which could be addressed in the plan if they have not already been flagged for attention:

- **taxes and duties** by replacing stamp duty on residential property with land tax
- **planning and development processes** through the introduction of inclusionary zoning and value capture tools
- **regulation of the private rental sector**
- **how they fund and manage their social housing assets** with community housing managing at least 35% of social housing stock

In the absence of any Commonwealth initiative and recognising the interdependence of private market performance and social and affordable housing need that the State develop its own state housing strategy.

A long-term vision requires a long term strategy

Although CHIA Vic strongly supports the vision articulated for the 10-year plan we all understand that the job will not be done in 10 years. True transformative change of the housing system will require decades, and CHIA Vic recommends that the Government considers whether a longer timeframe, with rolling shorter-term action plans, might be more appropriate to achieving the aims of the strategy.

Community housing is an equal partner

The community housing sector has been positioned as the growth vehicle for the *Big Housing Build*, and is anticipated to own or manage at least 8,200 of the 12,000 new units to be delivered. The proposed plan also implies a central role for community housing. However, the sector continues to be treated differently to the Director of Housing when it comes to the construction and operation of social housing. To truly deliver on the aims of the 10-year strategy government needs to create the enabling framework to let the registered sector operate at its fullest capacity, rather than position it as the lesser player and act as gatekeepers restricting access by the community housing sector to exemptions and processes designed to support the delivery of social housing.

Achieving the vision of this strategy requires a whole of government commitment to treat the registered community housing sector as an equal partner. The Compact with the community housing sector and the creation of the Industry Working Group have moved the relationship forward. However, more needs to be done such as legislation to allow registered housing agencies the same access as the Director of Housing to areas like cladding levy exemptions, streamlined planning, exemptions from or additions to current RTA requirements.

The community housing sector is made up of a diverse group of 39 registered agencies from large generic organisations to small specialist providers. The diversity comes from the genesis of the various organisations and their varied missions. There is strength and value in this diversity, demonstrated by the way smaller organisations have been able to meet the needs of particular residents and communities by specialising their services in particular areas and/or for particular cohorts but the reality is that the bulk of the heavy lifting will be done by the larger community housing organisations. The money available through the *Big Housing Build* has generated considerable interest from interstate community-based organisations and from other sectors such as aged care who are interested in providing more housing to their client groups. We need an active discussion about how we want the community housing sector to develop over the next decade and

not have the service system design effectively done by procurement decisions. We need an appropriately managed and governed multi-provider social housing system.

In 2018 we developed the Community Housing Transition Plan which was informed by extensive sector consultation and discussion with broader stakeholders. It is expressed under 5 pillars of activities that are still relevant today. An area worth calling out for particular attention is workforce.

Workforce & professional development needs

The *Big housing Build* is not just about dwellings it is also about people particularly the staff that have to provide, and over time, manage the new stock. As a sector we know very little about our workforce. A strategy to develop the community housing sector workforce to meet the future needs of the sector relies in part on accurate data. This includes both:

- quantitative data – not just workforce numbers but the nature of roles, qualification of employees and any accreditation / registration requirements
- qualitative data – for example, levels of satisfaction and engagement within the community housing workforce.

There is a pressing need for training and development to become more structured and to provide clear pathways for key parts of the community housing sector workforce, most notably:

- in tenancy management – in particular to develop the capabilities required to meet the needs of CHOs as a modern social landlord
- in asset management – in particular to deliver strategic approaches to asset management and effective customer service
- in attracting and retaining the leadership talent required to take the industry to the next level.

The CHIA NSW Cadetship Program provides 25 social housing tenants with a 12 month cadetship where participants develop asset management skills within a community housing workplace while studying for a Certificate IV in Housing

This is an area where there are opportunities for the community housing sector to work collaboratively with those responsible for the public housing workforce given the similarities of roles.

There is a need for the provision of comprehensive ongoing professional development (including induction) that is appropriate, relevant and useful at a day-to-day level for all frontline workers.

Workers need to be equipped with the knowledge and skills necessary to do what is required of them; new workers need to be appropriately prepared when they begin employment and continuing workers need to regularly update their existing capabilities and develop new ones.

Training needs to be free to the worker, regular, accessible and appropriate to the actual tasks being performed, including the extensive interpersonal engagement workers undertake with applicants and tenants. It also in most cases has to be housing specific rather than generic which often does not recognise the particular nature of housing work. Professional development should not just be a series of short workshops but also offered in some form of certification (short-, medium- and longer-term programs) with recognition across the sector.

CHIA Vic, with its experience in delivery of professional development, is eager to work with Homes Vic on workforce planning and professional development programs for social housing employees.

Growth Targets

Back in 2016 CHIA Vic commissioned Swinburne University to develop a number of measures of unmet social housing need in order to get a better understanding of the problem (see Table 1).² At the time the analysis showed that over 6,000 additional dwellings per year are required to meet the unmet housing need of those eligible to register for social housing. This is the figure that CHIA Vic and the Victorian Housing Peaks Alliance have been calling for.³

Table 1. Unmet need for social housing 2016 & 2031

	Affordability measure	2016	2031
VHR eligible	30% income	76,043	101,592
VHR Priority housing eligible	30% income	40,318	53,105
VHR eligible	50% income	25,603	34,545
VHR Priority housing eligible	50% income	18,158	24,141

The same Swinburne team have used a different methodology to calculate unmet need using detailed 2020 Centrelink data (see methodology in appendix).

Table 2. Unmet need for social housing March 2020, Centrelink data

Household type	Households		
	Single	Couple	Total
Long term Jobseeker	5,484		7,090
<i>Sharing</i>	<i>1,094</i>		
Jobseeker homeless	1,605		
Disability	4,338	24,076	28,415
Aged Pension	20,208	1,896	22,104
<i>AP single sharer</i>	<i>2,638</i>		
<i>AP renting alone</i>	<i>17,570</i>		
Parents	14,536	3,629	18,166
<i>1 child</i>	<i>6,024</i>	<i>1,283</i>	
<i>2 children</i>	<i>5,561</i>	<i>1,036</i>	
<i>3 children</i>	<i>2,804</i>	<i>1,179</i>	
<i>4 children</i>	<i>148</i>	<i>131</i>	
Total Households	46,172	29,601	75,774

²Quantifying the shortfall of Social and Affordable Housing – CHIA Vic 2016

³ Making Social Housing Work – Housing Peaks Alliance - 2020

Table 2 shows the result and the outcome, 75,774 Victorian households eligible, is not too dissimilar to the 76,043 identified as VHR eligible in the 2016 analysis. In effect this provides support for the robustness of the previous estimates and again suggests that the 6,000 new social housing unit per annum should still be the desired annual target over the life of this new plan. This would represent about ten percent of new residential dwelling construction in Victoria and historically this proportion is lower than that achieved in the 1940s through to the 1970s, the period of social housing construction (Housing Commission) that provides the foundations for today's system.

What the new data adds however is greater insight into the type of stock required in terms of bedroom numbers - aggregating single sharers on a pension, single parent families and couple families indicate that almost a quarter of the stock should be two, and preferably, three-bedroom dwellings.

The Swinburne team then turned their attention to the 'non CRA affordable housing sector' where there are major affordability issues but where they receive no form of income assistance due to their employment income. This group is a 'sandwich class' caught between social housing eligibility and private rental market affordability and represent a major policy challenge given they cannot be housed in Community housing despite their housing need (see Table 3).

Table 3. Housing need among rental households not receiving Centrelink benefits March 2020

	Total Rental H/holds with affordability problem			Rental housing on benefits with an affordability problem			Total Unmet Affordable Housing Need,		
	Single	Couple	Total	Single	Couple	Total	Single	Couple	Total
No children	44,788	34,449	79,237	31,636	25,972	57,608	13,152	8,477	21,629
With children	28,585	38,030	66,616	14,536	3,629	18,166	14,049	34,401	48,450
	73,374	72,479	145,853	46,172	29,601	75,774	27,201	42,878	70,079

The numbers with an affordability problem in this 'non CRA affordable housing sector' are almost as great as the unmet needs of the CRA group. This is an example of how solving the issues facing the social and affordable housing systems need to factor in the wider housing system – simply providing enough social housing for the unmet need ignores the low-income households struggling in the private rental market.

There may be an argument for a targeted and capped state rent assistance program particularly for those with children. If capped at 30,000 recipients and receiving an average amount of \$4,000 per annum the cost would be \$120 million per annum plus administrative costs and this amount would likely be offset by way of social benefits. This rent assisted household sector could thus become a clearly designated affordable housing sector and desirably would have a similar regulatory framework to the social housing sector. Consideration could be given to funding selected Community housing agencies to be estate agents for this 'affordable' housing sector providing incentives (no estate agent fees) for landlords to participate.

By not making it universal and setting a quota on eligible numbers it avoids budget blowouts and the \$4000 would be an average as the amount could vary by household type and location. This assistance could provide the basis for clearly defined affordable housing sector and desirably would

attract community housing providers to establish a new growth sector targeting this group but with a discounted market rent rather than the 25 percent household rent.

The 10-year plan should include a cost v social benefit study of introducing a state-based supplement of this kind.

Clear targets are necessary

The current 10 year plan does not set any concrete targets to track progress towards the vision of ensuring all Victorians can access a safe, affordable and appropriate home. Based on the analysis above CHIA Vic continues to recommend a target of 6,000 new units of social housing per year for the next 10 years.

Homes Vic should also look to set a target for growing the supply of affordable housing, and this target should be guided by a clearer definition of affordable housing and affordable housing need in Victoria.

Data led Decision Making

Until now new social housing could be successfully developed almost anywhere in the state as the demand was so great. However, with greater investment comes the need to provide better demand and supply data. The VHR is seen as an expression of subsidised housing need when in reality it is simply a list of people who decide to register. The data presented above shows that there are many other people who are eligible to register but have not and we don't know why.

For the Government and community housing organisations to have confidence in undertaking long term strategic planning which might include land banking, asset renewal and long-term partnerships we need better data. The 10-year plan should commit to providing quality data to inform planning and investment. A place to start might be SGS Economics model commissioned by DHHS to predict housing need by cohort a few years ago.

However, Homes Vic should also look at other forms of data that could support the delivery of appropriate long-term homes. This includes alternate forms of measuring the success of the strategy through a range of outcomes measurement tools, as well as developing better data sources on the quality of social housing properties.

Having people at the centre of all considerations will also inform the way that Homes Vic and/or the State Government look to measure the success of a 10-year strategy. In addition to counting the number of new units of social and affordable housing, the strategy should also seek to embed people-centred ways of gauging its success. CHIA Vic developed a social outcomes [framework](#) for community housing in 2019 which provides a guide to how Homes Vic could think about the broader impact of its 10 year social and affordable housing strategy. The framework also places people at the centre and seeks to explore how tenants experience safe, secure and stable housing and what this means for them and their families. We are aware that Homes Vic have been trialling something similar for public housing tenants, and are looking at developing an outcomes framework for the homelessness sector as well. CHIA Vic supports the inclusion of the tenant voice in the measurement of the progress and impact of a 10 year strategy and encourages Homes Vic to co-design a single agreed framework that can be used for this purpose.

Other measures that could be considered include social return on investment or broader wellbeing indicators, in a similar way to how New Zealand has established a wellbeing budget.

Affordable Housing

Before identifying the level of growth required in the affordable housing area we need a common understanding of a definition of affordable housing and an early task in the life of the plan should be to develop one that is fit for the future and takes into account the drivers of poverty and inequality, the economic challenges of the housing market, the financial sustainability of the affordable rented sector and the real costs of living in a home and a place.

Affordable housing has a number of definitions used for different purposes with no broad agreement or alignment. For example, the Planning & Environment Act sets very low, low and moderate income levels but these income thresholds overlap with the income levels for registering as either priority or ROI on the VHR. There is no obvious relationship between the 2 measures.

There are a few ways to define affordable housing

1. It is the designated price point (rent or purchase cost) for a dwelling above which that dwelling is deemed unaffordable. The designated price point can be created in two ways. The first relates to what a 'typical' household could afford hence the need to establish some nominated income for each household. This is the function of the Victorian Governments Gazetted income. By designating an actual value, it provides clear indication to developers, builders, planners what is actually to be aimed for.
2. The second way is to nominate a rent or price level that is some percentage below market prices or rents hence in the Australian context the 25 percent below market prices or rents. This does not create such a clear price point and begs the question of what is the market price or rent; what property type are we talking about what spatial area? It is little used for policy purposes in most countries. Moreover, it provides no ability to estimate the numbers in need and how much stock is required.
3. A third way of defining the affordable housing sector is via receipt of government assistance in the form of State housing assistance. (see growth section) The affordable housing sector would be therefore defined by the number e.g., 50,000, tenants in the private rental sector in receipt of assistance. All dwellings occupied by such households would become 'affordable housing' with a clear meaning and ability to identify a number.

As a principle CHIA Vic believes that any affordable housing that is achieved through some form of subsidy or support to the private sector should be owned and/or managed by the community housing sector.

At the present time, the community housing sector is the only sector that is regulated in relation to the provision of affordable housing in Victoria. This regulation gives the state government a significant degree of insight and control over the registered community housing agencies operating within this system, and ensures that both current and future tenants are protected, as is the investment by government(s) in creating the affordable housing. It also provides local government confidence that any concession made to a development approval in exchange for affordable housing can be monitored without requiring each local government across Victoria to establish the infrastructure for ongoing compliance monitoring.

Also, the registered community housing sector has in place the policies and practices required to verify eligibility for subsidised affordable housing, and access to the Victorian Housing Register which ensures that housing is allocated to those most in need.

Tracking our progress

Setting clear targets for social housing growth is the first step but to ensure they are achieved Homes Vic also needs to establish clear and transparent reporting processes on the progress of the strategy in delivering on its aims. Appropriate ways of measuring success should be a key initial priority under the strategy, and regular public reporting should be enshrined in the design of the final strategy.

System reform

The 10-year strategy needs to provide direction on the systems that will best support the growth and operation of social housing.

The community housing sector supports the Government's position that all net growth should be delivered through community housing. We see public and community housing as complementary systems. We would hope that within this 10-year plan we are looking at developing 6,000 properties a year. This is a step change for the 300 homes pa over recent years to the 3,000 homes pa under the BHB and then to double output again. The plan needs to design and describe the system or market that would enable this to occur. It needs to articulate the role of the state, community and public housing and the private sector including getting better affordability outcomes at the low price end of the market.

As many have said before, housing needs to be seen as **infrastructure**, depoliticised and not seen as a welfare service. Governments plan for schools and health services for their populations in a methodical, formulaic way that takes account of the differences between rural, regional and metropolitan communities—the same should be possible for social and affordable housing. There is broad consensus that the community housing sector needs the following to be the engine room of this growth:

- **A pipeline of predictable and appropriate funding and financing** – AHURI research shows the 'capital grant' model, supplemented by efficient financing, provides the most cost-effective pathway for Australia—in preference to the 'no capital grant, commercial financing, operating subsidy' model.⁴
- **Access to third party land, through local and state governments plus community groups** – this could include redevelopment opportunities as well underutilised, government-owned land assets, car parking near train stations and activity centres plus ageing independent living units.
- **Streamlined planning processes** - the changes made available for the *Big Housing Build* should be amended to be available to the registered housing sector without the need for a letter confirming the project is 'on behalf of the Director of Housing' and/or a commitment of funding from the state government.
- **Inclusionary zoning where the community housing sector owns/manages the resulting properties** – There are a number of possible models being promoted by the Ministerial Advisory Committee or the Constellation Project. We do not have a view on which model should be implemented just that any policy needs an adequate lead in time to allow the requirement to be priced into land prices.

⁴ Lawson, J. *et al.* Social housing as infrastructure: rationale, prioritisation and investment pathway. *AHURI Final Rep.* (2019) doi:10.18408/ahuri-5314001.

We also believe that systemic change to procurement, regulation, departmental responsibility and to the VHR with matching support can provide much greater efficiency and co-ordination for the benefit of all players in the system.

Programmatic rather than project-specific funding

CHIA Vic has been advocating for a move towards programmatic funding for a number of years but the imperative for doing things differently has become more urgent due to the *Big Housing Build* which requires Homes Vic to assess and approve projects to a timetable that has never been achieved before.

For programmatic funding to be realised there needs to be a pipeline of funding available over a number of years. The *Big Housing Build* provides the opportunity to begin this thinking as it is a 4 year program. However, a regular and predictable pipeline is essential to give CHOs the confidence to landbank, enter into multi-year developments and optimise ctive asset management – a ten year plan offers this opportunity.

The relationship between Government and the sector is changing from that of a funded service towards that of partner. A new programmatic funding model will demonstrate the new maturity of the relationship.

Homes England and its role as disruptor in the housing market offers an example of how this could be done. Homes England made fundamental changes to its grants program by moving from a project-by-project approval process to a program approach, delivered through a strategic partnership with housing associations.

They understood that if they were to deliver on the ambitious goals set by Government then they would have to do things differently so they consulted with the community housing sector to understand barriers to delivery and to design a new relationship. “This approach has provided our partners with the long-term certainty they need to plan for their growth, attract private sector investment into their business and deliver new homes at pace”.⁵

In 2018, they launched their first wave of eight strategic partnerships, which have since increased to 23 partnerships with 27 housing associations. These housing associations work across all areas of England and together will deliver over 40,000 affordable homes starts by March 2022, supported by a £1.7bn funding package as part of the government's £9bn affordable housing program.

This new way of working means that housing associations can use their funding flexibly across their development program and respond quickly to local housing demand, the ebb and flow of their development pipeline and market changes. Homes England staff were keen to stress that this program is not just about funding, it is a relationship.

The recent Social Housing Growth Fund (SHGF) round and the Rapid Round of the Big Housing Build are interesting case studies. The Build to Operate and Availability Payment elements of the SHGF came at a time of scarcity of funding – so they were highly competitive. The Rapid round also suffered from considerable

Gearing Up for Growth

The announcement of the BHB gave one HA the confidence to employ a commercial analyst and 2 project managers in house – rather than rely on expensive consultants. What could CHOs do with a 10-year plan?

⁵ Homes England Presentation of the National Housing Conference 2019

competition because of the shovel ready requirements. CHOs and Government were attempting to purchase the same units from developers and often drove up prices when the hope was having the capacity to buy in bulk would reduce costs.

Competition, as opposed to co-operation, also creates some perverse results. Is it efficient to have 5 or 6 CHOs operating in Geelong?

The cost to the CHO of preparing the bid and to the state in the assessment process are also inappropriately high. Some members reported that they spent around \$1m in fees on legal, corporate and tax advice for their SHGF application. The state then employs its own consultants to undertake a detailed assessment of the previous consultants work! There must be a better way.

Under the English model

- Homes England has targets for social and affordable rental and shared equity by area
- Property standards, including energy efficiency requirements are set
- HAs bid in identifying how many of each they want to develop in a given area over the next 4 or 5 years and at what price
- The HAs then have the flexibility in timing of delivery of projects, the exact locations (within broad guidelines) and the type of stock
- Homes England actively monitors progress

In England HAs are more locality based than in Victoria. However, if a programmatic funding model effectively encourages CHOs in Victoria to operate primarily in specific areas then this is probably a good thing. Under the English model large HAs are likely to develop partnerships with smaller specialist HAs who they include in their bids.

Homes Vic has the opportunity now to introduce more rationality into the operational spread of HAs with the management transfers of the 4,000 stock under the Partnership program of the BHB.

The 10-year plan should contain a commitment to streamline the procurement process to implement a programmatic allocation model that is based on sector discussions on how the sector should be structured over time.

Homes Victoria

The *Big Housing Build* introduced organisational change to better support the roll out of a large stimulus program with the creation of Homes Vic with its own commercial board. While the new entity is still in its establishment phase the 10-year plan should propose the next step in structural reform with Homes Vic detaching from DFFH to become its own entity with a broader charter.

A model that could be considered is Homes England which is the government's housing accelerator. *'We have the appetite, influence, expertise and resources to drive positive market change. By releasing more land to developers who want to make a difference, we're making possible the new homes England needs, helping to improve neighbourhoods and grow communities.'*

They have a broad housing remit in addition to the funding of social and affordable housing and are responsible for:

- increasing the number of new homes that are built in England, including affordable homes and homes for market, sale or rent
- improving existing affordable homes and bringing empty homes back into use as affordable housing
- increasing the supply of public land and speeding up the rate that it can be built on. They have a land hub where all Government surplus land is sold or made available for social housing
- helping to stimulate local economic growth by using our land and investment, and attracting private sector investment in local areas

New Zealand has taken a similar approach bringing together urban development; residential housing issues and social housing.

Victoria has the opportunity to better co-ordinate planning, land release, precinct development surplus land disposal, property standards with improved provision of social and affordable housing. Within the first 3 years of the plan the Government should commit to exploring and implementing the best organisational structure to improve the provision of affordable housing across the state.

The state government is currently working on a new Compact with Local Government which provides an opportunity to clarify Local Government's role in the planning and provision of social and affordable housing.

Rethink Regulation

The social housing regulatory system is currently under review in Victoria under an expert panel and their final report due in 2022.

If the tenant lens is focused on regulation, then the approach should move from looking at organisational performance to looking at protections and outcomes for vulnerable, low-income tenants wherever they might live. At present we have an irrational system whereby

- SRS's and private rooming houses have very light touch regulation (a proper person test) even though they house many of the most complex people.
- Public housing tenants have access to internal complaints mechanisms and to the Victorian ombudsman but there is not a dedicated housing regulator.
- People living in rental independent living units have the protections of the Residential Tenants Act only while tenants in registered community housing agencies have the security of a highly regulated landlord.

We believe that the regulatory system should be recast to include the landlords of all these tenants and we suggest that the current expert panel designs an implementation strategy to bring them into the system. Given that the regulatory system has a dual role of protecting the interests of tenants and also protecting the State's financial investment in housing, regulation could be adjusted and tailored for landlord types. This could mean if there is state based housing assistance for private tenants or landlords that such dwellings could also be embraced within the regulatory system; they would all be social landlords.

There is also much to learn from other countries about the role tenants play in their regulatory systems. It is not unusual for regulators to have tenant scrutiny panels that assist with their assessments and we expect that the current review will consider how our regulation can improve tenant engagement.

Responding to climate change

Consideration should be given to the type of regulation that should be put in place to ensure tenants are able to access safe and comfortable homes. Although the *Big Housing Build* and new building standards will ensure that new social housing stock is highly efficient they do not provide for the majority of social (and private) rental stock, which is old, inefficient, and in some cases located in areas at high risk of climate change impacts.

In recent years both the Victorian Government and the community housing sector have been focusing on the benefits of improving the efficiency of social housing properties. This includes:

- Sustainability Vic's Victorian Healthy Homes Program which has been investigating whether making a home warmer and drier during winter leads to improved health outcomes for people experiencing chronic illnesses.
- Investment by the Victorian Property Fund to support solar and energy efficiency upgrades for existing community housing properties and to fund highly efficient new build community housing.
- \$112M in Homes Vic stimulus funding to support energy efficiency upgrades in both public and community housing.
- \$335M in Solar Vic funding to replace inefficient heaters for low-income Victorians, making it cheaper and safer for low-income households to heat their homes.
- An expectation that all new social housing in the *Big Housing Build* achieve high levels of energy efficiency.

CHIA Vic and the community housing sector have been active participants in all of these initiatives, and recognise the impact that improving the efficiency of our homes can have both by reducing heating and cooling costs, and by improving the comfort of residents. Not only do these impacts reduce financial stress they can contribute to better health outcomes for residents.

The review of the regulatory system could consider aims such as:

- Setting minimum standards for rental housing that ensures they are comfortable and affordable to heat and cool.
- Require that the rental sector contribute to reducing their carbon emissions through upgrades and designs that minimize energy use in both the construction and operation of rental housing.

Complementary initiatives that could be pursued by the 10-year strategy include:

- An expectation that existing homes are adapted and retrofitted to improve their energy efficiency and decarbonise their heating, ending their contribution to climate change and ensuring renters have access to safe, comfortable and affordable homes.
- that all new homes delivered by Registered Housing Agencies and Homes Victoria are zero emissions homes by 2026.
- develop a zero emissions new build affordable homes strategy by 2023 which considers both the embedded carbon of the construction process as well as the carbon emissions from the ongoing running of the home once occupied.
- Establishing methods of collecting data on future climate adaptation risks for CHOs portfolios, to assist the sector in adapting their portfolio to ensure long-term viability in the face of climate change.

With ongoing uncertainty about the impact of solar uptake on our power grids the strategy should prioritise ways to reduce the energy required to run social housing rather than just relying on reducing energy costs

through solar. For existing stock this could include interventions such as insulation, shading, draught-proofing and highly efficient appliances. For new build homes the strategy could also consider site orientation and design choices which can significantly reduce energy use.

Victorian Housing Register (VHR)

The VHR was implemented a few years ago to act as a common waiting list for public and community housing. It has been very successful in joining waiting lists but could be so much more. The VHR is due to be evaluated over the next couple of years and the review should map out a 10-year program of improvements. Some of the areas that need attention are:

- We have a disjointed process of allocating a home and the required support. At present a person may be categorised as homeless with support on the VHR but this does not mean that the person will have the required level of appropriate support to establish a tenancy successfully. We will discuss support in more detail later but as a principle the allocation of a property from the VHR to a person should come with the requisite level of support if we are serious about sustaining tenancies.
- The VHR has changed the way people register for social housing and has broken the connection between individual CHOs and applicants. We do not know the impact of this and the review should consider the needs of applicants in the registration process. For example aboriginal applicants who may want housing with AHV are no longer able to go to them directly to register.
- The VHR does not work effectively for co-ops, rooming houses and some mental health and youth programs as it is based on a public housing offering of long-term self-contained housing
- With affordable housing potentially being a growth area a simpler matching platform is required that has a non-government appearance – whether the VHR can become this should be explored in the review.

Creating & Sustaining Successful Tenancies

As a principle all social housing tenants should have access to the supports needed to sustain tenancies, live independently and build meaningful lives; but this is not the reality.

The provision of appropriate support to social housing tenants is currently ad hoc, inadequate and at times inappropriate. We believe that the support system requires an overhaul with greater investment, flexibility and targeting. In other sectors the concepts of choice and control are part of the system's design and well understood. However, they have not been translated to the housing and support system with artificial time periods of support that have no relationship with the tenant's situation still in place.

Episodic Support

Tenancy Plus is a specialised service to work with tenants when their tenancy is at risk or support is needed to establish successful tenancies. Data is not captured on the number of community housing vs public housing referrals but there are strong indications that the program is underutilised in community housing. Community housing organisations report that long wait lists mean that support is unavailable when needed.

Stronger data is needed and a review of the program's effectiveness with a view to improving the programs' ability to quickly respond to all social housing tenants and support tenancy sustainment. We also recommend consideration of how the program may be extended to those in private rental.

High Risk Tenancies

A specialist response is needed for the most complex renters, those with complex needs who are unable to sustain their tenancies despite support from the services outlined above. Such renters may experience multiple periods of homelessness and cycle through crisis, transitional and long term social housing. They are a very small percentage of the social housing population but attract a disproportionately high proportion of the sector's resources. These renters may have a very negative experience of the social housing system despite the resources allocated to respond to their housing needs. They may often adversely impact their neighbours, and such disturbances can risk stigmatising social housing.

There is an existing DffH program for the most complex social housing tenancies, Support for High Risk Tenancies (SfHRT). Information about the program on the DHHS website indicates that it is available to both community and public housing tenants, however, the program does not currently appear to be accepting referrals for community housing renters.

We recommend that this program be part of any examination of the support system with the aim of having specialised resources to respond to the needs of high-risk tenancies. An expansion of this program could draw from the model utilised in the related Multiple and Complex Needs Initiative service model, a casework coordination approach outside of the housing system where an expert panel considers complex cases and brokerage is available to implement support approaches for people with multiple and complex needs.

Overall we need to build better connections between housing and support that are mutually positively reinforcing and sit alongside each other with a focal point of delivering outcomes for people.

Delivering a people-centred housing system

CHIA Vic is highly supportive of the guiding principle of the strategy – having people at the centre of all considerations. It changes the lens on how we see many of the structures, systems and challenges facing housing policy.

A rights-based approach, as outlined previously, would contribute to transforming our housing system by providing a framework for action, transparency and accountability that we currently do not have.

CHIA Vic supports a move to enshrine in legislation a right to housing as one mechanism to achieve the vision for all Victorians to have access to a safe, affordable and appropriate home.

More Than a Landlord - AHV

The Wellbeing team has been delivering the More than a landlord program for almost 4 years. During this time, the team has achieved real improvements in sustaining tenancies and positive life experiences for their tenants. A key feature of the program, is the delivery of life coaching by the Wellbeing Team. The Life Coach assists tenants to understand what success looks like and to identify goals to achieve that success; inspires them to imagine more and to achieve more; empowers them with the practical tools to do so; motivates them to sustain focus; and steers them towards success. Other resources and supports are called in as necessary. The concept of life coaching within the social housing context may be unusual, but it has proven to be transformative for participating tenants and could be readily adapted to other social housing settings.

While we acknowledge that the social housing system has a lack of supply which makes embedding client choice and control a challenge, there remain a range of ways in which the social housing sector could create a more person-centred system.

Tenant Engagement

Reforms to the regulatory system as outlined above could build tenant engagement into ongoing rental regulations, as could the use of tenant outcomes to measure the success of the 10-year strategy for the people it aims to serve.

Promoting genuine tenant engagement should be a major pillar of the plan, and this should be considered for inclusion across all elements of the housing system.

Currently tenant engagement does not attract the level of focus in Australia that it does overseas. Resident involvement in managing structures, resident committees, scrutiny panels, advisory roles is empowering for tenants and beneficial for services.

In the UK there are a number of services similar to this Scottish example that have the expertise to assist and educate CHOs with tenant engagement but there are no comparable services in Australia.

Tenants Information Service – a Scottish Example

TIS provides creative approaches to encourage communities and housing organisations to work together to get things done. They help run consultations with tenants on rent, allocations and .

Scrutiny Approved Accreditation is a framework developed by TIS and Scotland’s Housing Network. It harnesses expertise to measure performance and highlight the initiatives housing organisations are taking to lead the way and sustain tenant scrutiny throughout Scotland. It recognises a level of customer participation, engagement, and influence, by a standard of gold, silver, or bronze.

Person Centred Models

We have already highlighted the way in which the VHR could better connect clients with the support services they need. For the vast majority of people a well located, affordable, accessible property is all they need. However, there are some who have specialist needs and others who are in accommodation that does not suit their needs. The 10-year plan should insist that we design housing models from a tenant perspective.

Cohort Models

The recent Royal Commission recommendations on the housing needs of people with mental illness highlight that there are likely to be other cohorts whose needs are not being appropriately met by either social or private rental housing. The strategy should include work on identifying these groups and determining how best to respond to their unique needs. Groups that could be considered include:

- People with mental illness
- People with disabilities that don’t require SDA-level modifications
- Youth, particularly care leavers
- People exiting the justice system
- Crisis housing (might be more about being able to access good quality stock than it is about specific needs)

THM

The THM program has been under review for a number of years but with no result. THMs offer short term accommodation to people who are assisted to move to long term accommodation once stabilized whether that be private or social housing. Transitional housing works for some people such as people escaping domestic violence or young people but most in THM are seeking long-term housing. If public or community housing is assessed as the appropriate long-term option for a person then the tenant should not have to move – instead the property type and funding should be changed.

Rooming Houses Reimagined

COVID has shone a light on what we have always known – the inherent risk and issues with the model of using rooming houses with shared kitchens and bathrooms as long-term social housing. Victoria does not have a singles housing policy and the provision of rooming houses is effectively the de facto policy. These facilities house some of the most vulnerable and complex people in Victoria yet they receive little attention from policy makers. While there has been a slow and steady program to upgrade rooming houses with shared facilities to self contained there are still approximately 50 community housing rooming houses with shared facilities which house approximately 912 people.

The *Homeless to Home* program has shown us what is possible if there is political will. Many of the people who are part of this program have or would have become rooming house tenants if H2H had not been introduced.

We understand that there is Government interest in looking at changes to the rooming house model and believe a commitment should be captured in the 10-year plan to:

- Develop a singles housing policy that looks at appropriate models for housing singles and the nature of support they require. A key element here is to understand the economics of housing singles
- Undertake an appraisal of site and building fabric for all rooming houses with shared facilities and decide whether to redevelop or sell and replace
- Develop a pipeline of projects in conjunction with the sector that offer appropriate housing and support to single adults in need of social housing

Mana-na woorn-tyeen maar-takoort - Every Aboriginal Person Has a Home - is the Victorian Aboriginal community's Housing and Homelessness Framework (VAHMF) - that provides a 20-year agenda to guide to the key objectives and priority areas developed to understand and respond to the unique housing challenges faced by Aboriginal Victorians, seeking to improve housing and homelessness outcomes across a generation.

CHIA Vic supports the inclusion of this framework into the 10-year strategy and commits to improving the cultural safety of all of our services.

Appendix 1 - Unmet Social and Affordable Housing Need Victoria 2020.

Social and CRA Affordable Housing Need.

Because of the availability of detailed Centrelink data (hitherto there has been limited access) a new method of calculating social and affordable housing need can be calculated. Need here is defined as 'all CRA recipients whose rental housing costs exceed 30 percent of income'. This 'Income Support' measure of unmet need is a conservative measure of need as it explicitly excludes those households on low incomes that do not receive income support. In the second part of this analysis the unmet need for non CRA affordable housing is also calculated.

The starting point of this measure of need is being able to identify all Centrelink recipients in each tenure sector: ownership, private rental, social rental, and 'not classified' which is largely the homeless and those in boarding houses. The statistical stages and underlying assumptions are:

1. Identify all Centrelink renters receiving CRA in Victoria by type of pension and benefit and household size.
2. To only use the data of March 2020 as subsequent data is affected by Covid payments of job start and job keeper. March 2020 was effectively the last month of income support normality.
3. Given social housing eligibility requires evidence of housing stress for some period only Income support beneficiaries on benefits or pension for a longish period has been counted; for 'job seekers' only the 'long term unemployed' are included ie those on job seeker for five or more years.
4. The following pensions/benefits are included:
 - Age pension
 - Disability support pension
 - Parenting payment partnered and single (and those ineligible, thus on jobseeker parenting)
 - Jobseeker (over 5 years)
 - Jobseeker parent (not a payment but interpreted by the numbers).
5. Those on benefits which are in the process of being phased out have been excluded, such as sickness benefit, partner allowance and bereavement and widows allowance (most of which are covered in the above).