



**Community Housing**  
INDUSTRY ASSOCIATION  
VICTORIA

Community Housing Industry Association Victoria

# **Victorian Budget Submission**



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 works to support 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.

CHIA Vic's member community housing organisations (CHOs) 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 21,000 units of rental property, over 10,000 of which are owned by CHOs.


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A portrait of a woman with short dark hair and glasses, wearing a light blue blazer over a white t-shirt. She is standing outdoors with green foliage in the background. The lighting is soft and natural.

©Housing Choices resident Carly loves the sense of community at her affordable home in Melbourne's south-west, Housing Choices Australia, 2022.

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# Summary

## 1

### **Securing a long-term pipeline for social housing growth**

Invest \$6 billion in the Social Housing Growth Fund and transform it to the Social Housing Investment Fund, providing a clear, annual pipeline of funding to grow social housing.

## 2

### **Ending chronic homelessness by investing in Housing First**

Extend the funding for support packages within the From Homelessness to a Home (H2H) and Homes for Families (H4F) programs to ensure they continue beyond July 2023 for as long as recipients need them.

In collaboration with the sector use the evidence from H2H and H4F evaluations and international programs to design and embed a Housing First model across the homelessness service systems.

## 3

### **Reducing the costs of homelessness through investment in preventative supports**

Review and expand Tenancy Plus to ensure it is adequately funded to provide support for all social housing renters who need it.

Commit ongoing funding to Aboriginal Housing Victoria's More Than a Landlord program and embed it as part of the social housing system.

Review the Private Rental Assistance Program and the Aboriginal Private Assistance Program, and in the latter case establish it as a state-wide, ongoing program.

Review and commit to funding the recommendations of the Transitional Housing Management program.

# 4

## **Continuing to invest in the infrastructure of the social and affordable housing system**

Fund the capacity building of the Aboriginal Community Controlled housing sector so that it can deliver on the government's commitment of 10 per cent of new social housing built in the Big Housing Build being Aboriginal controlled.

Leverage pipelines of new social and affordable housing projects to promote new building technologies to address supply chain issues, and create job opportunities for social housing renters and other target groups of the Government's Social Procurement Framework.

Fully fund the implementation of any accepted recommendations from the independent review of the Social Housing Regulatory System.

Maximise the opportunities to upgrade the energy efficiency of Victoria's social housing stock through the Commonwealth's Household and Business Electrification package.

Fund strategies to address workforce shortages and sector capability building including any recommendations that may come from CHIA Vic's workforce project.

Use the 2026 Commonwealth Games to trial mixed-tenure housing developments in partnership with community housing organisations in regional Victoria to demonstrate the benefits of leveraging social housing outcomes on other government-led.

Fund the redevelopment and refurbishment of eight community housing owned rooming houses located in Melbourne and Healesville, and fund all improvements required by community housing organisations to meet the new minimum standards.



©Bellfield Social Housing Project, Artist's impression of building exterior, ARM Architecture, Partners Homes Victoria & Banyule City Council, Launch Housing

# CHIA Vic Victorian Budget Submission

CHIA Vic welcomes the re-election of the Andrews Government for another four years in office, on a platform of doing what matters. With a mandate to deliver on this progressive agenda over the next term of government, we look forward to working together to address the housing affordability crisis in Victoria and to grow the social housing system to afford more Victorians the dignity of a roof over their head.

CHIA Vic acknowledges the historic and record funding commitment made by the Andrews Government in 2020 with its \$5.3 billion Big Housing Build (BHB) and has been an active and constructive partner in its delivery. Through the program the community housing sector will grow its tenancy management portfolio by about 40 per cent, including the construction and ownership of 4,000 new homes.

However, with the program due to expire in little over a year, it is crucial that the momentum and capacity built up in the sector is maximised to drive ongoing growth in the social housing system. CHIA Vic's submission for the 2023-24 Victorian Budget focuses on four areas which would make a substantial contribution to ensuring this continuity and the wider success of the social housing system.

These are:



**Securing a long-term pipeline for social housing growth**

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**Ending chronic homelessness by investing in Housing First**

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**Reducing the costs of homelessness through investment in preventative supports**

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**Continuing to invest in the infrastructure of the social and affordable housing system**



## Securing a long-term pipeline for social housing growth

The single-most important investment the Andrews Government can make to address housing unaffordability is to create a long-term pipeline of funding certainty for growth of social housing. Victoria currently has the lowest proportion of social housing of all states and territories in Australia at around 2.9 per cent. Even after the BHB, this will only rise to about 3.5 per cent. In order to reach the target Infrastructure Victoria recommends of 4.5 per cent, around 60,000 new social housing dwellings are needed over the next ten years.

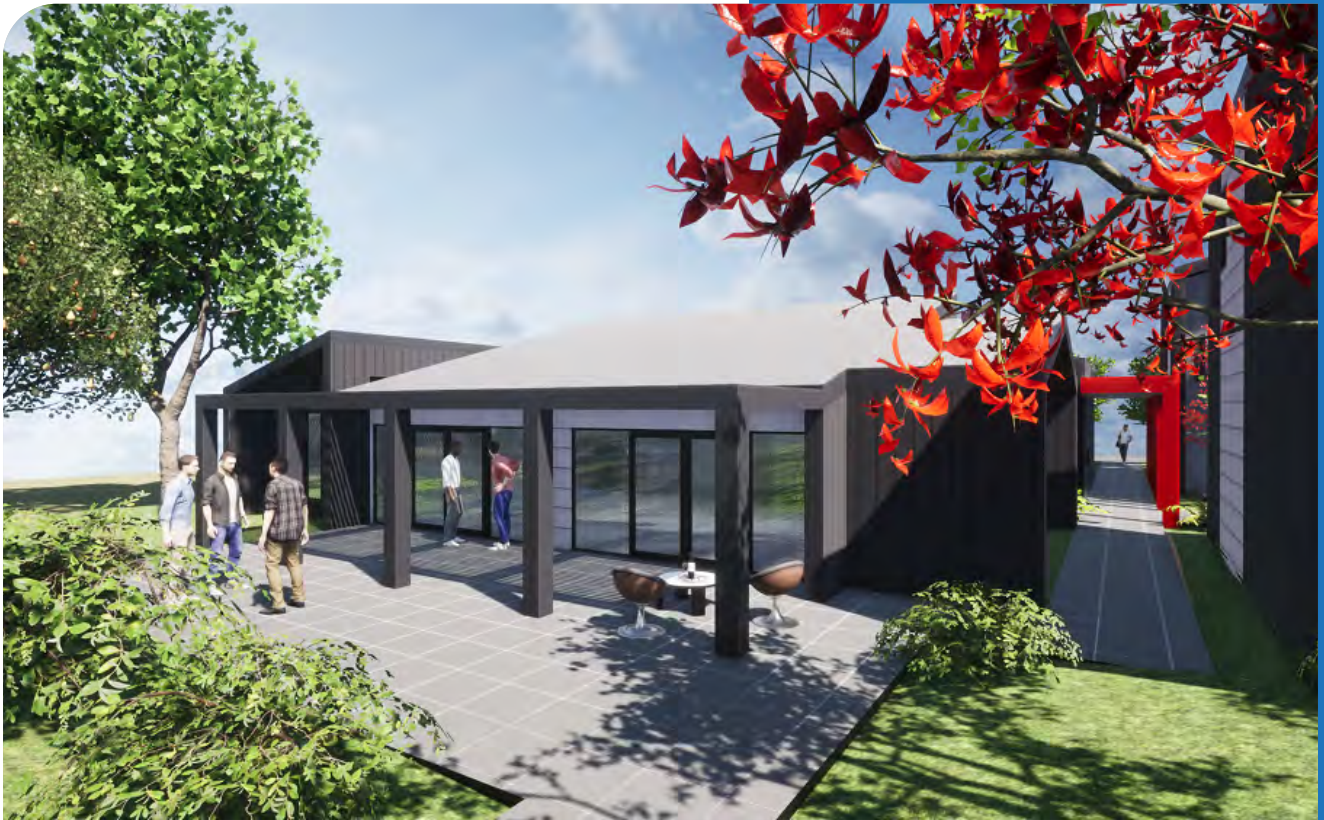
We are calling on the government to reconfigure the Social Housing Growth Fund (SHGF) into the 'Social Housing Investment Fund' (SHIF) and turbocharge it with an additional \$6 billion investment. The SHIF could provide a clear, annual pipeline of funding for the delivery of new social housing, which would give certainty to both the community housing and building industries, as well as engage local governments more directly in this delivery.

It would draw down on the initial investment as well as interest earnings over ten years, to deliver almost 20,000 new homes over ten years – a third of the amount required to hit Infrastructure Victoria's recommended target. Crucially, this is significantly more than could be delivered through discrete Budget commitments of \$600,000 per annum on isolated housing projects, which is estimated at 12,000 new homes. The combination of increased funds through interest earnings, as well as the ability to deliver lower-cost dwellings through leveraging the benefits of funding certainty, mean a mechanism like the SHIF can deliver better housing outcomes for the same investment from government.

**10** *years*  
**20,000<sup>+</sup>**  
*homes*







©Haven Ballarat West, The Haven Foundation & Mind Australia, 2023

Opening the SHIF to investment by third parties such as developers and local councils will add to the growth potential of the fund. It would give developers greater options for affordable housing contributions under the current voluntary system, and would also be a key component of any potential contribution scheme which applied across the state. It would offer a dedicated fund with transparent reporting that affordable housing contributions could be paid into and this consolidation of contributions would allow for much faster delivery of housing outcomes than is currently possible.

A transparent SHIF would also demonstrate to both developers and the Commonwealth that the Victorian Government is a strong and willing partner in growing the supply of social and affordable housing for Victorians.



There are a number of additional policy changes that should be considered alongside establishing long-term funding certainty for social and affordable housing.

These include:

### **Create planning certainty through developer contributions for affordable housing**

Currently voluntary affordable housing agreements between developers and local councils have helped to begin discussions around social and affordable housing needs but have done little to deliver new homes. Homes that have been built under these agreements have tended to be funded through government contributions, meaning the planning system is not being used to deliver growth in social and affordable housing in and of itself. The planning system could deliver this growth via a state-wide mechanism that required developers (and/or others) to contribute to social and affordable housing when getting planning approvals, or barring this, councils could be empowered via changes to the Planning and Environment Act to require these contributions on an individual basis when issuing planning approvals.

### **Better aligning funding opportunities with development timeframes**

Getting a project ready to bid into funding rounds is a time-consuming process, and an expensive one that comes with no certainty of success. CHIA Vic is encouraging the Andrews Government to continue working with us to shift towards a program-based funding approach, which would incorporate the competitive elements of a tender process to ensure government achieves value for money but would allow for a longer delivery window and flexibility to respond to market changes. Funding a program of projects rather than individual projects will allow community housing organisations to work collaboratively with developers, local councils and communities to progress land through the planning and design stages, expanding the sites available for social housing.

In all investments the government makes to grow social and affordable housing beyond the BHB, they should deliver on the ambition of Mana-na woorn-tyeen maar-takoort, the Victorian Aboriginal Housing and Homelessness Framework, and ensure that at least 10 per cent of all new social housing is allocated to Aboriginal Victorians. Government should also continue the practice of ensuring that there is an Aboriginal specific stream within each program designed to improve housing outcomes within the community and end homelessness more generally.



## Ending chronic homelessness by investing in Housing First

The From Homelessness to a Home (H2H) and Homes for Families (H4F) programs introduced during the height of COVID-19 pandemic restrictions have so far proven effective and successful in helping more than 2,000 Victorians experiencing chronic homelessness to access secure housing and wraparound support. However, with funding for the support components of these programs expiring at the end of the financial year, there is a risk that many of these households may struggle to sustain their tenancies.

CHIA Vic calls on the government, as a critical priority, to extend the funding for these homelessness programs to prevent this happening. Support packages should be available for as long as required by people in these programs, in recognition of the Housing First principles they were built on.

These programs' successes should be expanded and build upon lessons learned to embed a Housing First model across the specialist housing system. This should be done in collaboration with the sector, drawing on proven, evidence-based models.

The principles of Housing First align closely with the government's Early Intervention Investment Framework. The model should be designed with this framework in mind, and the avoided costs to government through reduction in other high-cost services (e.g. the justice system) be made explicit.



©Housing Choices resident Martin gives a tour of the Drill Hall community garden in Melbourne's CBD, Housing Choices Australia, 2022.



## Reducing the costs of homelessness through investment in preventative supports

It is far more cost effective to keep someone in their home than it is to support them through a period of homelessness and the transition into a new home. Victoria currently has a number of tenancy support programs in place but they do not have sufficient funding to meet current need, and in some instances are time-limited.

Tenancy Plus is a specialised service that works with social housing renters either to help them establish a new tenancy successfully, or to help them sustain a tenancy when it is at risk. Feedback from the community housing sector is that support through the Tenancy Plus program is not always as readily available for renters as it is needed – CHIA Vic asks that government reviews the current program and expands it so that it is able to operate as a best-practice tenancy sustainment program for all social housing renters.

Aboriginal Housing Victoria has developed the successful More Than a Landlord program, which provides life skills and coaching to eligible Aboriginal Housing Victoria renters through a dedicated Wellbeing Team. The life coaches work with renters to understand what success means for them, and then empower them with practical life tools to achieve this success through setting realisable goals. The program has so far only been funded through short-term agreements despite being in operation for more than four years, primarily in partnership with the University of Melbourne. Committing ongoing funding and embedding the program as part of the social housing system would ensure more Aboriginal Victorians are supported to keep a home and achieve their goals.



©Bellfield Social Housing Project, Artist's impression of building exterior, ARM Architecture, Partners Homes Victoria & Banyule City Council, Launch Housing



©Photo Courtesy of Aboriginal Housing Victoria, 2023

The government should also commit to review the Private Rental Assistance Program (PRAP), and to expand the Aboriginal Private Rental Assistance Program (APRAP). These are both important programs that prevent homelessness before it occurs, thereby avoiding life-changing experiences for those at risk of homelessness as well as avoiding significant further cost to government – again, these principles align with the government's commitment to the Early Intervention Investment Framework. PRAP was designed over a decade ago, when both private rental market conditions were markedly less competitive and social housing was not being built at the scale it is now under the BHB. With these changed conditions, PRAP should be reviewed to ensure it is delivering on its intended aim of early intervention for renters who need minor financial support, rather than acting as another form of crisis accommodation assistance. APRAP, which is funded for limited areas until June 2024, should also be reviewed and extended to provide state-wide coverage.

The Budget should also commit to a joint review of the current Transitional Housing Management (THM) program with the sector, and provide the funding needed to implement any recommendations. The THM program currently supports around 3,500 households with short- to medium-term, transitional housing for Victorians at risk of homelessness, whilst helping them find long-term homes. Recent changes to the Residential Tenancies Act have complicated how THM providers manage these tenancies, and a clear operating model and legal framework to support the program would provide greater consistency and clarity to help it achieve its intended outcomes.





## Continuing to invest in the infrastructure of the social and affordable housing system

With the BHB, significant funding and resources have been injected into the social and affordable housing system to deliver on this commitment. It is critical that the momentum generated by this, especially the growth in the community housing sector capacity, isn't lost as the BHB concludes. The government should continue investing in the following areas to help the social and affordable system grow:

### **Aboriginal Community Controlled Organisations (ACCO) housing sector**

More funding should be directed to build capacity within the ACCO housing sector to deliver on the government's aim to have 10 per cent of new social housing under the BHB Aboriginal controlled. Currently there are only two registered housing organisations within the ACCO sector, and resourcing and support is required to build the capacity within the sector, including assisting more to become registered. This funding should be available for ACCOs to hire dedicated housing staff, access IT systems to ensure best practice tenancy and asset management and maintain registration as they build up their housing business.

### **Youth Housing Model**

With Melbourne City Mission, The Salvation Army, Kids Under Cover and Council to Homeless Persons, CHIA Vic is working on the design of a Youth Housing Model, which would create more housing options for young people at risk of homelessness and help them to build up the tenancy and life skills they need to thrive. The proposed model would see the government provide funding for rental subsidies to open a range of housing options for young people, as well as service and support packages attached to individuals rather than tenancies to help them sustain that housing and eventually transition out of supported housing.

We are calling on government to work with us on this issue to co-design a model that will avoid the long-term costs of homelessness, and provide a brighter future for our young people.

### Addressing supply chain issues

To resolve the ongoing supply chain issues in new housing construction, the sector needs to explore new building technologies and work with these industries to deliver at much larger scales. Social and affordable housing development programs could be used to drive the growth of new and emerging building technologies by providing a stable pipeline of projects.

Similarly, a consistent pipeline of social housing projects creates an opportunity to implement inclusive employment practices such as creating apprenticeship programs for social housing renters and other priority groups under the government's Social Procurement Framework, ensuring its investments drive greater social value.

While social procurement can be challenging to deliver when funding is granted on a project-by-project basis, if there was a shift to a program-based procurement model for social housing it becomes much more feasible.

An early example of these two pathways can be seen in the recent partnership between Women's Property Initiative (WPI) and training organisation Platinum Institute Australia, with up to 16 students building a modular home that will then be bought and managed by WPI as part of its affordable housing stock.



## Reform of the Social Housing Regulatory System

In May 2022 an independent panel presented government with its final report on a review into the regulatory framework of Victoria's social housing system. While the final report is not yet public, CHIA Vic submitted a response to the interim report which was released in December 2021.

CHIA Vic is supportive of the key recommendations in that interim report, namely to place renters at the centre of the regulatory system,

to establish a single social housing regulator, and to establish a separate, independent complaints management body.

However, CHIA Vic did note that the interim report made a broad range of recommendations that would require significant time and funding to properly implement, and could distract from these key recommendations. If the Victorian Government responds to the Regulatory Review this year, the Budget should include funding to support the sector to fully implement any accepted recommendations.



©Housing Choices residents Teresa and Stjepan got an early Christmas present moving into their affordable St Albans home in Victoria. Housing Choices Australia, 2021.



## Energy efficiency upgrades

The government is already embarking upon several significant initiatives to improve the energy efficiency of social housing stock across the state, such as the Energy Efficiency in Social Housing and Solar for Community Housing programs. And all new stock under the BHB and other growth programs is being built to at least a 7 Star NatHERS rating. With the Commonwealth recently announcing its Household and Business Electrification Package, focussing on social housing, the Victorian government should take advantage of this opportunity and work collaboratively to electrify all social homes in the state. This would benefit the environment, reduce power bills of Victoria's vulnerable households, and align with items under the Health and Human Services Adaptation Action Plan.

## Workforce strategy

Underpinning the ongoing growth of the social and affordable housing systems is the need for a skilled and well-resourced workforce. CHIA Vic has been funded by the government to develop a Community Housing Workforce Development Strategy (2022-2025) to help deliver on this. Workforce pressures have been acknowledged in adjacent sectors, including through the Council to Homeless Persons Specialist Homelessness Sector Workforce Development Strategy and the Victorian Skills Plan. Workforce needs to be an ongoing priority for government, and CHIA Vic is calling on the Budget to include funding for both demand and supply-side strategies to address workforce shortages and sector capability building, including recommendations that may come out of CHIA Vic's workforce project.



©Designed by award-winning architects Kennedy Nolan, Housing Choices Australia's social housing at Hemming Street, Dandenong, earned a commendation at the 2020 Victorian Architecture Awards. It was supported by the Victorian Government through funding provided by the Victorian Property Fund on the approval of the Minister for Consumer Affairs. Housing Choices Australia, 2020.



## Leverage housing outcomes from other government programs

The design and construction of the four athletes' villages required for regional Victoria's hosting of the 2026 Commonwealth Games should consider the future social and affordable housing outcomes that could be achieved with this opportunity. Following the Games, CHIA Vic is calling for the four sites to be converted into mixed-tenure residential developments with social housing making up 30 per cent of dwellings, affordable and market rental housing 10 per cent each, and a mix of shared equity home ownership and market sale homes making up the remaining 50 per cent. Trialling these mixed-tenure housing models would demonstrate the social benefits of diverse housing, and could be repeated across the state, wherever government is helping to deliver new residential developments.



©Viv's Place, Dandenong, Launch Housing, 2022

## Improving the quality of rooming houses

With support from the Community Housing Sector Development Fund, CHIA Vic has developed asset intent plans including architectural drawings and costings to ensure eight community housing owned rooming houses across metropolitan Melbourne and Healesville are fit for purpose for a modern social housing system. A similar assessment of Homes Victoria-owned rooming houses is currently being undertaken by government. The government should include funding to redevelop and refurbish these rooming houses.

CHIA Vic and community housing providers are committed to continual improvement in rooming house standards and support the government focusing regulatory compliance on private rooming house providers that are not meeting minimum standards. However, the minimum standards proposed for rooming houses in 2023 will impose significant costs on community sector providers of rooming houses, who have no capacity to increase rents to fund improvements. CHIA Vic calls for government to fund required improvements in minimum standards for affected community housing providers.



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