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City of Port Phillip Housing Needs Assessment and Allocations Framework Report

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The City of Port Phillip Housing Needs Assessment and Allocations Framework Report has been written and developed by

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Glossary

AIHW	Australian Institute of Health and Welfare
ATO	Australian Taxation Office
Brm	Bedroom
CRA	Commonwealth Rent Assistance
DELWP	Department of Environment, Land, Water and Planning
DHHS	Department of Health and Human Services
FAU	Floor Area Uplift
FBURA	Fishermans Bend Urban Renewal Area
LGA	Local Government Area
MSD	Melbourne Statistical District
NRAS	National Rental Affordability Scheme
Port Phillip	City of Port Phillip
Social housing uplift	Dwellings that exceed the number of dwellings allowable under the dwelling density requirements in the Schedule to the Capital City Zone.
VHR	Victorian Housing Register

The Purpose

The purpose of this research project is to prepare a Needs Assessment and Allocations Framework for the City of Port Phillip (Port Phillip) for measuring and, if possible, weighting the relative housing needs of the four priority needs groups identified in City of Port Phillip's Affordable Housing Strategy *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*.

The key objectives of the Assessment and Allocations Framework are:

- To identify the relative size (estimated number of households and proportion) of the housing needs of all eight of the identified needs groups
- To provide a methodology for weighting the relative housing needs identified
- To recommend the weighting Port Phillip should use across the four priority housing needs groups to address social housing requirements.

The four priority needs groups in Port Phillip are:

- Older persons, particularly older single women
- Low income families, including larger families
- Singles at greatest risk of homelessness
- Low income wage earners / key workers.

Measuring and weighing the needs of these groups is also to be carried out within the spectrum of other housing needs groups that require social housing in Port Phillip, that is:

- Older men
- Smaller families
- Couples
- Youth.

The framework will assist Port Phillip to determine how the housing needs of these eight groups are addressed through the implementation of the *In Our Backyard* strategy¹ in particular, how it will assist with implementation of the following policies:

- **Policy 1** – housing delivered on Council land by local community housing organisations through Council property and supporting cash contributions allocated through an expression of interest process;
- **Policy 3** – redevelopment of public housing estates to increase housing yield, diversity and quality of housing; and
- **Policy 5** – community housing delivered by the private sector through planning mechanisms.

¹ City of Port Phillip, *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*

Executive Summary: Key Findings and Priority Needs Allocation

Over the next decade, the City of Port Phillip (Port Phillip) is seeking to maintain, at minimum, the 2015 level of social housing stock of 7.2%², and to address an estimated shortfall in the need for social housing projected to grow from 4,432 units in 2016 to 6,540 units in 2025.³

This report was commissioned by the City of Port Phillip to measure and weight the housing needs across very low, low and moderate income households⁴, and the range of target groups in housing need.

The findings of this report will be used by the Council to guide the setting of targets for the specific types of housing that need to be met from the implementation of policy levers from its affordable housing strategy, *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*.

It is timely that this research has been undertaken, as both the Commonwealth and State Governments have established policies that focus on stimulating the growth of affordable and social housing. Examples of these policies are the Commonwealth 'bond aggregator', the Victorian government establishment of the Social Housing Growth Fund, and the setting of affordable housing income levels, as well as guidelines for using section 173 Agreements under the *Planning and Environment Act 1987* to negotiate affordable housing agreements with private developers.

One significant opportunity worth highlighting is the prospect of Council taking advantage of these policies and planning controls to encourage diverse communities through the provision of affordable and social housing in the Fishermans Bend Urban Renewal Area (FBURA). FBURA is Australia's largest urban renewal project of 450 hectares, which has a proposed residential construction plan for housing 80,000 residents.

This needs assessment principally uses expressed and objective needs measures to ascertain the unmet needs for affordable and social housing for very low, low and moderate-income households as defined by the Victorian government in June 2018. The key indicator of unmet housing needs is households living in private rental, paying more than 30 % of their income in rent.

Key Findings

All very low and low income households in Port Phillip have high unmet housing needs including the four priority needs groups (older people, particularly single women; low income families, particularly large families with 3 or more children; singles at risk of homelessness; and low income wage earners and key workers) and the broader spectrum of needs groups (older single men, smaller families, couples, and young people).

The key findings of the data analysis in this report relates to the households living in private rental in Port Phillip facing housing stress. The data uses the 2018 Affordable Housing income levels adopted by the Victorian government for Greater Melbourne statistical district⁵.

² City of Port Phillip, *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*

³ SGS Economics and Planning, *In Our Backyard Housing Program Review*, September 2018

⁴ Refer to Table 3 2018 Affordable Housing Income Levels

⁵ Op.cit.

The table below sets out the different household groups in Port Phillip in 2016 by the three income ranges, low, very low and moderate, living in private rental. This table which is a replication of Table 37 in the body of the report uses data drawn from Census table builder 2016, applying the Planning and Environment Act 1987, Section 3Ab, gazette incomes.

The findings are summarised below:

- The highest population group is small families with up to two children – 1,664 living in private rental. Of these, 975 are living on very low and low incomes. From 2011 to 2016 small families on very low incomes have had the least increase. This may be due to their low income and high cost of housing.
- There are very few large families with three or more children living in private rental on very low and low incomes – only 21 in 2016. This is the smallest household group in Port Phillip. At the same time two-parent families with three or more children living in private rental experienced the most substantial growth – 202% for low income families and 183% for moderate-income families.
- Households of single women 60 years and over were the highest growing population of older people living in private rental from 2011 to 2016. The highest numbers of these older single-women households were women aged 60-74 on very low and low incomes. The number of women 75+ is the twice the number of men on very low incomes living in private rental in Port Phillip in 2016. The highest growth in older persons from 2011 to 2016 is for women aged 75 and over.
- In 2016 there were more young women than young men aged 15 to 24 living in private rental in Port Phillip. Whilst there had been a decline in young women living on very low incomes between 2011 and 2016, in 2016 there were 35.9% more young women on very low and low incomes living in private rental in Port Phillip, 181 women compared to 116 men.
- There was a growing population of single adults aged 40 to 59 living in private rental on very low incomes, with higher growth for women than men. Similarly, there is a higher growth of single women aged 25-59 than men on very low and low incomes.
- There was growth in couples over 40 years living on very low incomes in private rental from 2011 to 2016 with 71.2% growth in couples aged 40-59. At the same time the highest numbers of couples living in private rental were those aged 25-39 years; 233 on low incomes and 597 on moderate incomes.

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Household Type Living in Private Rental	Very low Income	Change 2011-2016 %	Low Income	Change 2011-2016 %	Moderate Income	Change 2011-2016 %
FAMILIES WITH CHILDREN						
Small families 1-2 children 2016	479		496		689	
Couples	156	7.0%	285	32.3%	465	66.5%
Sole parents	323	3.5%	211	21.8%	223	89.9%
Large Families 3+ children	21		48		55	
Couples	14	7.9%	40	202.4%	51	183.1%
Sole parents	7	-46.6%	8	-22.2%	4	-48.9%
SINGLES – LONE PERSONS						
Older Singles 60+	246		211		111	
Older Singles 60-74	170		164		104	
Male	90	0.4%	83	4.3%	62	19.4%
Female	80	-3.4%	81	71.7%	42	1.2%
Older Singles 75+	76		47		7	
Male	26	-13.0%	21	-14.6%	3	-34.2%
Female	50	43.2%	26	67.8%	4	150%
Single Young People 15-24	160		137		186	
Male	64	15.1%	52	9%	84	14.4%
Female	96	-11.8%	85	24.1%	102	-6.2%
Single Adults 25-59	552		1,252			
25-39	248		399		866	
Male	130	-7.5%	164	3.6%	422	11.3%
Female	118	-15.4%	235	21.9%	464	1.2%
40-59	304		300		305	
Male	162	8.3%	155	-11.1%	162	12.8%
Female	142	16.9%	145	4.3%	142	22%
COUPLES						
Couples	204		405		887	
15-24	35	-4.5%	80	25.8%	131	18.7%
25-39	83	-1.1%	233	7.2%	597	22.8%
40-59	38	71.2%	51	27.7%	110	17.6%
60-74	33	24.7%	57	44.7%	35	20.8%
75+	26	33.7%	8	-22.5%	13	210.3%

In 2016 the number of households paying 50% of their income in private rent at risk of homelessness in Port Phillip was substantial –1,239 households – the majority (706) being very low income households. Those paying 50% of their income in rent are not only in housing stress as they pay more than 30% of their income in rent but living precariously close to becoming homeless.

The table below shows the proportion of each household group by income level paying more than 50% of their income in rent. The data has discounted the 2018 income levels to 2016 dollars in order to ascertain the percentages using 2016 Census data. This table is a replication of Table 38 in the body of the report using data drawn from Census table builder 2016, applying the Planning and Environment Act 1987, Section 3Ab, gazette incomes.

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The table reveals that in 2016 the households experiencing housing stress due to their high private rental housing costs and the vulnerability to homelessness are:

- *Very low and low income single person households*: the majority (81.3%) of very low income single households and almost a quarter (21.4%) of low income single households spent 50% or more of their income on rent
- *Very low income sole parent households* as just under half (43.8%) of these households spent 50% or more of their income on rent
- *Very low income couple households* as just under half (42%) of these households spent 50% or more of their income on rent.

Household Type	Households Paying More Than 50% Income in Private Rent 2016						
	Very low		Low		Moderate		Total
	Households	% ⁶	Households	%	Households	%	Households
Singles	417	81.3%	270	21.4%	138	7.7%	825
Sole parents	141	43.8%	8	6.1%	0	0.0%	149
Couples	87	42.0%	60	13.6%	28	4.2%	175
Couples with children	61	29.3%	26	11.9%	3	0.7%	90
	706		364		169		1,239

The needs assessment also revealed that, in 2018, families had limited affordable housing, both private rental and home purchase, and few dwelling stock options in Port Phillip. Additionally, large families requiring three or more bedrooms have the least stock options even when their income is at the moderate level. At the same time, low income workers (cleaners, café staff, bar workers and baristas, child care workers and registered nurses) had limited access to affordable housing in Port Phillip.

The table below shows the affordable housing stock and cost by income by level for singles, couples and families and low income wage earners and key worker occupations in 2018. This table is a replication of table 39 in the body of the report that is drawn from Port Phillip Rated Data 2018, DHHS rental letting data 2017; Planning & Environment Act 1987, Section 3Ab, Order in Council.

⁶ Each percent is a proportion of all households in that income range

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Household Type and Income Level Highest annual income in each level for sole income ⁷		Size	Purchase		Private Rent		
			Affordable purchase price	No. of properties	Affordable rent	No. of properties	
Single	Very low Sole Income \$25,220	1 bedroom	\$145,000	17	\$209	38	
	Low 1. Sole Income \$40,340 <i>Cleaners (domestic & commercial) Bar worker & Barista, Childcare worker</i>		\$232,000	93	\$299	604	
	Moderate* ⁸ 1. Sole Income \$60,510 <i>Café manager</i>		\$348,000	490	\$348	1,362	
Couple	Very low 1. Sole Income \$37,820 <i>Cleaners (domestic & commercial), Bar worker & Barista, Childcare worker</i>	1 bedroom	\$218,000	76	\$280	433	
	Low 1. Sole Income \$60,520 <i>Café (manager & worker)</i> 2. More than 1 income Household <i>Cleaners (domestic & commercial)</i>		\$348,000	490	\$411	3,231	
	Moderate 2. Sole Income \$ 90,770 3. More than 1 income Household <i>Registered Nurse, Teachers (primary & secondary), Police, Ambulance and Paramedics</i>		\$522,000	2,126	\$522	2,325	
Family	Number of Bedrooms		2	3+		2 +	
	Very low 1. Sole Income \$52,940 <i>Cleaners (domestic & commercial) Bar worker & Barista, Childcare worker, Café (manager & worker)</i>		\$305,000	22	2	\$383	29
	Low 1. Sole Income \$84,720 <i>Registered Nurse, Teachers (primary & secondary)</i> 2. More than 1 income Household <i>Cleaners (domestic & commercial) Less than \$800 per annum above very low income</i>		\$488,000	280	7	\$487	73
	Moderate 1. Sole Income \$127,080 <i>Police, Ambulance & paramedics</i> 2. More than 1 income Household <i>Bar worker & Barista, Café (manager & worker), Child care worker Registered Nurse, Police, Ambulance and Paramedics</i>		\$731,000	2,034	92	\$731	429

⁷ It is assumed that all moderate income households and low income families are not eligible for CRA.

Needs Allocation

Whilst the report sets out priorities for advocating and addressing the unmet needs of the Port Phillip priority needs groups it is important to note that consideration must always be taken of the features and capability of specific sites proposed for affordable and/or social housing construction.

The allocation framework sets out the priority for allocation of the social and affordable housing and indicative stock size for the priority needs groups identified by Port Phillip. It is acknowledged that Port Phillip cannot resolve the social and affordable housing needs of all household groups in Port Phillip. Nonetheless, the allocations recommended need to be at a sufficient level to achieve substantive affordable and social housing outcomes.

In recognition that all very low income and low income priority needs household groups, as well as other needs groups, in Port Phillip have unmet housing needs, it is recommended that the allocation framework be divided between these two groups, as follows:

- Priority needs groups -75%
- Other needs groups - 25%

Priority Needs Allocation Framework Rationale

The basis of the priority needs allocation is outlined below.

Singles facing housing stress, hence at risk of homelessness

The low level of Centrelink incomes and the high cost and limited availability of affordable housing has meant that 81.3% of singles were paying more than 50% of their income in rent in 2016. As such singles have the highest risk of experiencing homelessness and the greatest need for social housing.

The data reveals that within the singles group there are four significant household groups with a high need for social housing. Therefore, it is recommended the allocation of 1 bedroom housing stock should be for:

Single homeless people/rough sleepers. *Singles have a high risk of homelessness and are the primary group found to be rough sleeping in Port Phillip as such an allocation has been made for this group.*

Single men 25 to 59 years of age. *There are more men living on low incomes living in private rental than women.*

Older single women over 60 years of age. *Older women living in private rental on very low and low incomes are the growing population in Port Phillip.*

Single young women 15 to 59 years of age. *Single young women on low incomes living in private rental is a growing population and there are more young women 15-24 years than young men on very low and low incomes living in private rental.*

Families with limited private affordable housing options.

Small families requiring only 2 bedroom dwellings living on very low and low incomes have limited affordable housing in the private market. As such, it is recommended that there be an allocation of two bedroom social housing stock for:

Small families living on very low and low incomes.

At the same time, it is important to note that large families with three or more children requiring 3 or more bedrooms have limited affordable housing available for private rent in Port Phillip. As such it is recommended that 3 bedroom social housing stock be allocated to:

Large families on very low and low incomes

Low income wage earners

Very low income and low income working households are constrained in their opportunities to access housing in Port Phillip due to their limited income. The following households are particularly faced with difficulty accessing affordable housing in Port Phillip:

- very low income singles and couples – Cleaners, domestic and commercial; Bar workers and Baristas; and Childcare workers
- low income singles – Cleaners, domestic and commercial; Bar workers and Baristas; and Childcare workers; and low income couples – Café managers and café workers
- very low income families – Cleaners, domestic and commercial; Bar workers and Baristas; Childcare workers; and Café managers and café workers

Thus, it is recommended there be a mix of one and two bedroom social housing and private market affordable housing.

Social housing for very low income worker couples

Social and affordable housing for low income working singles and couples

The proportional weighted allocations for the high priority needs household groups is set out below. Please note the indicative percentages of the needs allocation have been calculated taking account of the groups experiencing housing stress identified in Port Phillip. The percentages for the priority needs groups had a proportional weighting applied.

Priority Needs Category Allocation (75%)	Needs Households & Dwelling Size	Proportional Needs Weighted Allocation %
Singles in housing stress, at risk of homelessness (42.7%)	Persons who are homeless/sleeping rough	At Minimum 3.7%
	1 bedroom	
	Older women aged 60+	12.3%
	1 bedroom	
	Single men aged 25-59 years	11.3%
Families (25.9%)	1 bedroom	
	Single young women aged 15 - 25 years	15.4%
	1 bedroom	
Families (25.9%)	Smaller families	24.8%
	2 bedrooms	
	Larger families	1.1%
Low income wage earners (6.4%)	3 + bedrooms	
	Low income wage earners (singles and couples)	6.4%
	1 and 2 bed	

A proportional weighting of the needs allocation has not been calculated for the other needs groups.

Alternative Affordable Housing Programs and Partnerships

Low and moderate income families of key workers, Registered Nurses, Teachers (primary and secondary), Police, Ambulance workers and Paramedics, have enough income to afford private market house purchase and rental. However there is limited stock available, especially for larger families requiring three or more bedrooms in Port Phillip. These groups are more able to afford housing programs such as government subsidised affordable rental housing schemes. Thus, it is recommended that:

Port Phillip work with governments and private developers to provide alternative affordable house purchase and rent products for housing stock of three bedrooms such as, shared equity, rent to buy, and any new build to rent affordable housing schemes developed by the Federal Government.

Section One: Policy and Research Context

1.1 Introduction

Affordable housing is the outcome of the complex interaction between household income, the costs of maintaining a reasonable standard of living, and the costs of adequate, appropriate and secure housing. As such, the problem of housing affordability can be due to low household income and/or high housing costs. Affordable housing is a significant issue across Australia. The factors contributing to the lack of affordable housing in Australia are many and complex.

This section summarises:

- Commonwealth, State and City of Port Phillip policies and programs that have an impact on social and affordable housing, and
- Research undertaken in relation to the Australian Affordable Housing Crisis.

Please note that many of the State Government programs are funded through Commonwealth programs, under the National Affordable Housing Agreement partnership agreements, the Nation Building Economic Stimulus Plan and the National Rental Affordability Scheme.

Below is a summary of the affordable housing funding and finance programs and initiatives, and the target groups that could benefit.

Level of government	Key program/initiative	Key features	Who will benefit
Commonwealth Government	<u>Affordable Housing Bond Aggregator</u> (legislated 29 June 2018 with bipartisan support): Commonwealth assistance to pool, channel and efficiently secure bank finance through attracting private, institutional bond finance.	<ul style="list-style-type: none"> • \$1B line of credit via mixed grants (18%) and loan finance line of credit (82%) at a cheaper rate and for longer periods. • Initial focus on refinance of existing loans for delivered/current projects, then will provide new debt finance. 	Various target groups being housed by existing and new community housing developed by registered community housing organisations (Housing Associations and Housing Providers).
	<u>National Infrastructure Fund</u> (legislated 29 June 2018 with bipartisan support):	\$1B grant infrastructure funding to local and state government (and their investment corporations and utilities) and community housing organisations (and special purpose vehicles containing at least one of the above) to facilitate the availability / freeing up of land for the provision of affordable housing (not the funding of projects).	Various target groups housed by registered community housing organisations (Housing Associations and Housing Providers), which deliver housing on local government, state government and community housing sector owned land (after it has been freed up through receipt of National Housing Infrastructure Facility funding).
	Proposed Labor Party's National Rental Affordability Scheme (NRAS) type incentive (subject to it become the government after 2019 federal election)	Through a cash subsidy, it proposes to incentivise the provision (by institutionalised investors) of 250,000 new affordable dwellings over 10 years, rented at 20% below market price for 15 years.	Low to moderate income households under newly constructed community housing ownership or management (subject to further clarification).

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Level of government	Key program/initiative	Key features	Who will benefit
State Government	Various programs from Homes for Victorians (as per text below and including Community Housing Loan Guarantee and facility)		
	Fishermans Bend Framework (created through Planning Scheme Amendment GC81)	Policy objective for 6% affordable housing in the Fishermans Bend Urban Renewal Area. Planning control that requires the provision of 'social housing' through a Floor Area Uplift incentive (if taken up by the private sector) at a ratio of one 'social' housing dwelling for each eight additional private dwellings (i.e. at a ratio of 1:9).	<ul style="list-style-type: none"> • The 6% affordable housing can be community housing, private affordable housing or a mix of both. • The social housing is in effect community housing as it has to be transferred to registered community housing organisations (Housing Associations and Housing Providers) for management.
	Voluntary planning mechanism (established 1 June 2018)	Formal recognition under an amendment to the Planning and Environment Act for affordable housing to be provided under voluntary section 173 Agreements, and guidance as to how to use such agreements.	Affordable housing that potentially can house very low, low and moderate income households that private developers agree to voluntarily provide under negotiated agreements (likely via the provision of planning and financial incentives, with the greater the depth of subsidy resulting in the lower the income cohort provided for).
City of Port Phillip	Contribution of Council land/air space packaged with supporting cash (under Policy 1 of <i>In Our Backyard</i>)	Provision of up to 5,000 m ² of land /air space, and \$5 million in cash that will support the delivery of projects on Council land.	Priority target groups are: <ul style="list-style-type: none"> • Families, including larger families. • Older persons, in particular older single women. • Singles at greatest risk of homelessness. • Low income wage earners / key workers.

Source: City of Port Phillip 2019

1.2 Commonwealth Government

The 2018/19 Commonwealth Government budget failed to build measures to boost supply of social and affordable housing. The budget failed to provide any measure to make home purchase easier for young people and ignored the inter-generational inequity of our current settings.

The National Housing and Homelessness Agreement (NHHA) is the Commonwealth Government's key affordable and social housing agreement, which works in partnership with the state governments, and sets the policy framework for funding social housing and the provision of homelessness. The NHHA is one of several Commonwealth policies to influence the distribution and profile of housing. Other policies and programs for affordable and social housing relate to providing infrastructure to support housing development, taxation, social services, immigration, and the financial sector.

The 2017/18 Budget sets out the Commonwealth Government initiatives in relation to the provision of social and affordable housing and these are primarily:

- *The National Housing and Homelessness Agreement 2009 (NHHA)*: provision of additional funding of \$375 million over three years to fund frontline homelessness services.
- *National Housing Infrastructure Facility*: \$1 billion will be made available in grant and loan funding to address problems with delays in provision of critical infrastructure that is hampering housing development in critical areas of undersupply. This facility will help local governments

fund the high costs of building critical infrastructure such as roads and water networks to support the supply of new housing. The facility will be administered by the National Housing Finance and Investment Corporation.

- *National Housing Finance and Investment Corporation (NHFIC)*: The NHFIC's mission is to improve housing outcomes for all Australians by strengthening efforts to increase the supply of housing, including contributing to the development of the scale, efficiency and effectiveness of the community housing sector. The NHFIC has two operations:
 1. making loans, investments and grants for enabling infrastructure for housing that supports new housing, particularly affordable housing through the \$1 billion National Housing Infrastructure Facility
 2. providing cheaper and longer-term financing to registered community housing providers through Australia's first national Affordable Housing Bond Aggregator.
- *Tax incentives for private investment in affordable housing*: Managed Investment Trust funds which provide affordable housing (managed by registered affordable housing organisations/providers) will qualify for a 60% (as opposed to the standard 50%) discount on measured capital gain for taxation purposes.

A primary way in which the federal government has supported low income households with rental costs outside the public housing system is through *Commonwealth Rent Assistance* (CRA). The CRA is a non-taxable income supplement payable to eligible people who rent in the private rental market or community housing. Pensioners, Centrelink allowance recipients and those receiving more than the base rate of Family Tax Benefit Part A may be eligible for rent assistance. CRA is paid at 75 cents for every dollar above a minimum rental threshold until reaching a maximum rate.

1.3 State Government

The Victorian Government plays a key role in supporting affordable and social housing and focuses on social housing supply, social housing regulation, homelessness services, planning and development standards, tenancy law, and first home buyer's assistance.

Plan Melbourne 2017-2050 is the Victorian Government's long-term strategic plan which highlights several policies addressing affordable housing in the planning system. Outcome 2 focuses on housing and one of its goals is to 'Increase the supply of social and affordable housing' with key policies of relevance:⁹

- Policy 2.3.1 Utilise government land to deliver additional social housing
- Policy 2.3.2 Streamline decision-making processes for social housing proposals
- Policy 2.3.3 Strengthen the role of planning in facilitating and delivering the supply of social and affordable housing
- Policy 2.3.4 Create ways to capture and share value uplift from rezonings – the integration of social and affordable housing options within major urban renewal developments.

Plan Melbourne defines affordable and social housing as:

⁹ Plan Melbourne 2017-2050, Strategy

Affordable housing is housing that is appropriate for the needs of a range of very low to moderate income households, and priced (whether mortgage repayments or rent) so these households can meet their other essential basic living costs.

Social housing is a type of rental housing that is provided and/or managed by the government (public housing) or by a not-for-profit organisation (community housing). Social housing is an overarching term that covers both public housing and community housing.¹⁰

The Victorian Government has legislated the definitions in the *Planning and Environment Act 1987* section 3AA (2) that states:

affordable housing is housing, including *social housing*, that is appropriate for the housing needs of any of the following —

- (a) very low income households;
- (b) low income households;
- (c) moderate income households.¹¹

The income ranges for these income cohorts are set out in Table 3 in Section 2.3.

For the purposes of determining what is appropriate for the housing needs of very low income households, low income households and moderate income households, regard must be made to the matters specified by the Minister for Planning by notice, published in the Victorian Government Gazette.

On 1 June 2018 the Minister for Planning¹² specified what should be considered in determining what is appropriate for the affordable housing/social housing needs of very low income households, low income households, and moderate-income households.

- Allocation
- Affordability (the capacity of the households)
- Longevity (the public benefit of the provision)
- Tenure
- Type of housing, form and quality
- Location, site location and proximity to amenities, employment and transport
- Integration, the physical build and local community

The Victorian Government Gazette of 1 June 2018, Section 3AB *Planning and Environment Act 1987*, states income ranges for very low income, low income and moderate income with respect to affordable housing that is not social housing (see Table 3 in Section 2.3 below).

In 2018 the Victorian Government released guidelines for local government negotiation of affordable housing under Sc 173, *Planning and Environment Act 1987*.

Inclusionary Housing Pilot Program. This program will be piloted on surplus government land. It is anticipated it will deliver up to 100 new social housing dwellings across six sites. Surplus government land is being identified and facilitated through the Fast Track Government Land

¹⁰ Plan Melbourne 2017-2050, Strategy

¹¹ Planning and Environment Act 1987 section 3AA(2)

¹² Victorian Government Gazette No. S 256 Friday 1 June 2018

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Service. A proportion for social housing is expected to have construction commencing before the end of 2018.

Homes for Victorians

This initiative provides the most comprehensive set of mechanisms and programs for increasing affordable housing in Victorian history. It encourages broader partnerships for the delivery of new affordable housing and services. It also seeks to develop an affordable housing industry through a range of affordable housing products, subsidies, social outcomes and by increasing the capacity and size of the community housing sector. It has a series of programs, mechanisms and initiatives to:

1. Support people to buy their own home
2. Increase the supply of housing through faster planning
3. Promote stability and affordability for renters
4. Increase and renew social housing stock, and
5. Improve housing services for Victorians in need.

Public Housing Renewal Program

An allocation of \$341 million over 4 years to renew and expand public housing stock. However, Stage 1 and 2 (\$185 million for redevelopment of public housing estates) do not include the City of Port Phillip. A further \$16 million has been allocated for tenancy support.

Key programs are:

- \$120 million 'Social Housing Pipeline' to deliver an extra 913 social housing properties.
- \$60 million to increase the number of social housing units on vacant or underutilised Director of Housing land commencing with a 3 year pilot initiative for 50+ sites across 13 suburbs in western Melbourne and Geelong. This will be followed by roll-out in other parts of the state.
- \$30 million for commencing first stage of the Flemington estate renewal
- \$24 million to increase supply of short and long-term housing for person experiencing homelessness (purchase 94 homes and lease 74 properties)
- \$5 million for the purchase and upgrade of 50 units (funded by the St Kilda Apartments in St Kilda developed by HousingFirst)
- \$20 million to fund 86 new and redeveloped properties in Preston
- \$16 million in short-term housing to relocate existing tenants during redevelopment

Victorian Social Housing Growth Fund

\$1 billion seed capital reaching this amount in 2019/20 as a permanent pool of capital maintained in value over time for the purposes of:

- Construction of new social and affordable housing on non-Victorian Government land, including mixed development with private housing proposed by consortia

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- Subsidising private rental leased from the private market for persons not needing long-term assistance.

The allocation to be based on annual plans (developed in consultation with the sector) specifying:

- demand and priority areas through a competitive process.
- a percentage of returns on invested funds to be allocated for construction and rental subsidy programs (informed by sector capacity).

The target is 2,200 dwellings over 5 years with 75% of housing in funded projects to house people under the priority access category of the Victorian Housing Register¹³. The initiative commenced in 2017/18.

Organisations targeted to receive the funds are:

- registered community housing organisations (Housing Associations and Housing Providers)
- private developers
- philanthropic foundations
- local government and
- consortia.

Community Housing Loan Guarantee and Facility

\$1 billion / 6 year loan guarantee, featuring:

- government backed guarantees to reduce risk to lenders
- guarantees on loan repayments – addresses perceived and actual risk of loans to Housing Associations to increase size and duration of finance and lower cost of borrowing
- \$100 million revolving loan facility that supplements private sector finance and targets registered Housing Associations, with 75% of households housed to come off the Victorian Housing Register.

Investigation of intermediary to aggregate more favourable loans for Housing Associations.

\$2 million funding for the Victorian Government to implement these initiatives.

Victorian Property Fund (VPF)

VPF is a trust fund administered by Consumer Affairs Victoria using money from interest paid on estate agents' and conveyancers' trust accounts. The VPF provides capital grants to community housing projects, for example, amounts ranging from \$550,000 - \$5.5 million between 2011/12 - 2014/15.

There is \$100 million available over 4 years that targets registered Housing Associations, however Housing Providers have been funded and are eligible to apply.

¹³ Priority access is for people: who are homeless and receiving support; are escaping or have escaped family violence; with a disability or significant support needs; and with special housing needs.

Improving housing services for Victorians in need – Homeless Initiatives

Towards Home package to Create Stable Housing

\$109 million available over five years to move homeless Victorians towards stable housing. The aim is to assist 19,000 Victorians who are homeless or at risk of being homeless, including:

- \$10.9 million to support young people who are leaving out-of-home-care support, to get a job or study, through board payments, housing subsidies and leasing arrangements until 21 years.
- \$60.8 million improvements to support services and additional accommodation through community sector led projects (including the Wyndham H3 project – \$15 million to purchase or build 20 units and leasing 50 units)
- \$32.7 million to better support people to sustain long-term housing, including rapid housing for those most in need, up to 30 units of supported housing for women and children and accommodation for people with mental illness in Frankston.

Additionally, the recently expanded Rapid Housing Fund will see 94 properties purchased and an extra 74 leased.

Rough Sleeping Support

\$10 million over 2 years comprising:

\$1.6 million to assist rough sleepers in inner city Melbourne, particularly during winter

\$9.8 million for:

- accessing 40 transitional housing units across Melbourne until permanent housing is provided by end of 2017
- 30 new permanent modular and relocatable homes on public land by end of 2017
- guaranteed pathway to permanent supportive housing
- case management and targeted support for 40 vulnerable rough sleepers for 2 years

Family Violence Housing Support

\$152 million over 3 years – Family Violence Housing Blitz (part of 2016/17 Budget) comprising:

- 300 social housing properties in 2016/17 year
- redevelopment of four family violence crisis refuges and 24-hour staffing for up to six refuges
- expanded packages of support for keeping women safe in their homes (security measures, relocation costs) for 5,000 victims of family violence
- provision of support to access private rental assistance.

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It is worth noting that a Victorian parliamentary inquiry found about 25,000 children are on the public housing waiting list.¹⁴

The Victorian Housing Register (VHR): will bring together all public and community housing waiting lists into a single register and will require social housing agencies opting into the associated allocation program to allocate vacant stock to a designated proportion of priority need households. It is expected to be fully functioning on line in 2019.¹⁵

Fishermans Bend.

Fishermans Bend Urban Renewal Area (FBURA): is Australia's largest urban renewal project covering approximately 480 hectares. It is largely within the City of Port Phillip and will consist of four precincts in Port Phillip and one precinct in the City of Melbourne. The scale of change proposed in Fishermans Bend is significant, with the expectation that by 2050 it will be home to approximately 80,000 residents and provide employment for up to 80,000 people.

Over 250 hectares of land has been allocated for medium to high density, mixed use development that will support a range of economic activities and provide housing diversity.¹⁶ However, most of the land is privately owned, necessitating working in partnerships across all levels of government, developers and the community. It is pleasing to read that the Urban Development Institute of Australia has stated that Fishermans Bend presents an opportunity to foster very purposeful partnerships to support housing solutions for lower income Victorians.¹⁷

However, 99% of very low, low and moderate income renters and purchasers will be excluded from Fishermans Bend if there is no intervention in the market.¹⁸ Only 1.3 % of all housing in FBURA is projected to be affordable for all households.¹⁹

Port Phillip Planning Scheme Clause 22.15 Fishermans Bend Urban Renewal Area Policy sets out the aim for at least six per cent of housing across Fishermans Bend to be affordable with additional social housing dwellings provided as part of a social housing uplift scheme.²⁰ One of the objectives is to create affordable housing.²¹

This policy encourages affordable housing to be provided within a range of built form typologies, as well as design that delivers a range of housing types suitable for households with children.²² The policy proposes criteria for the provision of three bedroom dwellings in the three residential precincts for developments of over 100 dwellings.²³

¹⁴ <http://www.abc.net.au/news/2018-06-06/victorias-public-housing-waiting-list-growing-by-500-a-week/9837934>, cited, 1/8/2018

¹⁵ <https://www.vic.gov.au/affordablehousing/about.html>, cited, 1/8/2018

¹⁶ Fishermans Bend Framework <https://www.fishermansbend.vic.gov.au/framework>

¹⁷ UDIA Victoria, May 2018, Presentation to Planning Panels, Fishermans Bend Framework, p. 5

¹⁸ Judith Stubbs & Associates, 2013, *Fishermans Bend Urban Renewal Area: Options for Delivery of Affordable Housing*, Places Victoria

¹⁹ *ibid*

²⁰ *Port Phillip Planning Scheme Clause 22.15 Fishermans Bend Urban Renewal Area Policy* (5/10/2018). Social housing uplift means dwellings that exceed the number of dwellings allowable under the dwelling density requirements in the Schedule to the Capital City Zone.

²¹ *Ibid* 22.15-2

²² *Ibid* 22.15-4.2

²³ *Op.cit.*

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The affordable housing policy sets assessment criteria for the development of six per cent affordable housing²⁴, proposing there be a mix of one, two and three bedroom stock. However, it states that developments can provide less than six per cent affordable housing where the built form makes it impractical, it is demonstrated that it is uneconomically unviable, or the development contributes to the affordable housing objective with less than the six per cent affordable housing target.

The policy also proposes the development of social housing development with a social housing uplift equivalent to eight additional private dwellings of equivalent size for each social housing unit provided. The assessment of the social housing request includes ensuring the appropriate legal arrangements, that the housing is retained as social housing in perpetuity, and the location is suitable in relation to the area's public transport and infrastructure.

The Fishermans Bend Framework, September 2018, is a referenced document in the Port Phillip Planning Scheme Fishermans Bend Urban Renewal Area Policy. The Framework proposes to:

3.5.1 Support a partnership approach between government, private industry and the community housing sector to deliver a range of affordable housing options

3.5.2 Encourage six percent affordable housing for all new development delivered within the maximum allowed Dwelling Density Ratios

3.5.3 Introduce planning incentives for the delivery of social housing in the form of community housing via a Floor Area Uplift. Social housing will be required as the only public benefit, where eight additional dwellings can be provided for each social housing dwelling, subject to meeting other built form controls, to be transferred at no cost to registered housing providers to secure this affordable housing in perpetuity.

3.5.4 Identify potential current and future government sites that would be suitable for affordable housing

3.5.5 Explore the option to collect 'cash-in-lieu' contributions instead of the provision of affordable housing on-site. Explore the establishment of a 'Fishermans Bend Affordable Housing Trust' (or similar) which may be required if these contributions are introduced in the future.²⁵

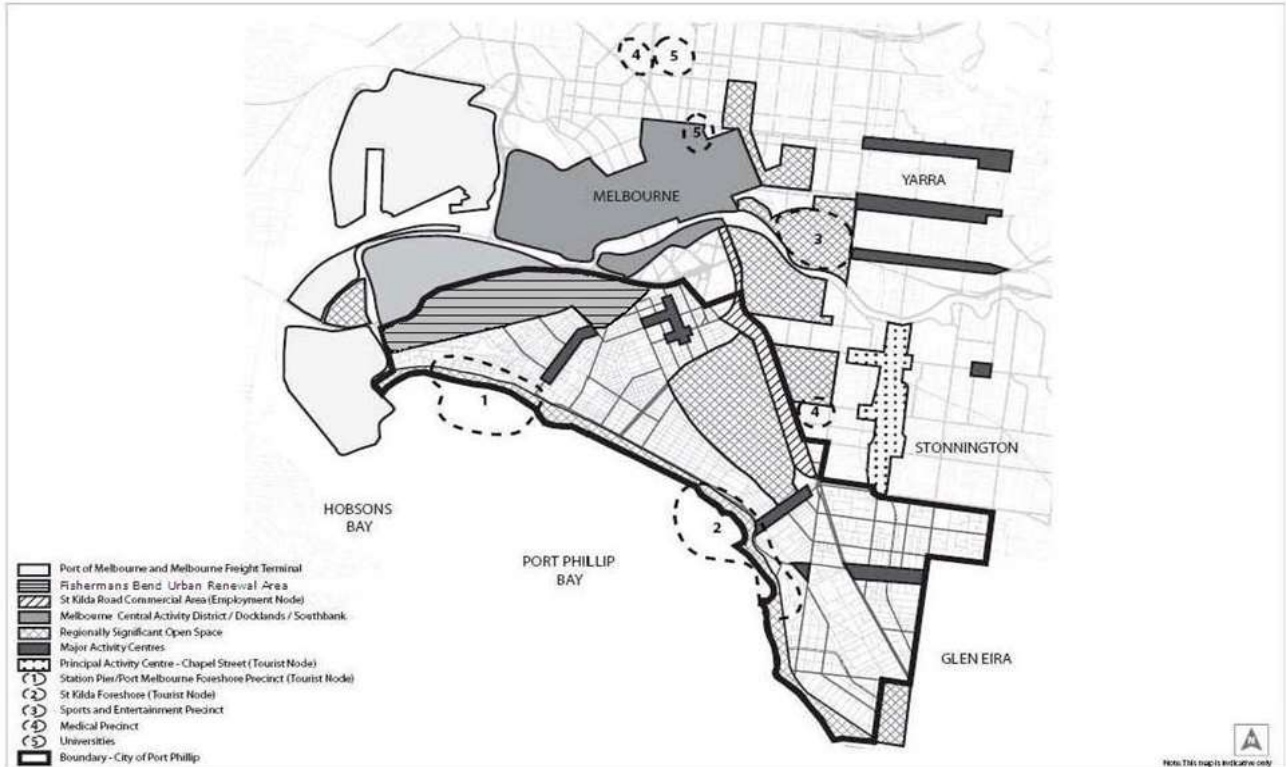
Consultations on the draft framework were completed in June 2018.

Map 1 below displays the City of Port Phillip in the context of bordering municipalities and highlights the Fishermans Bend Urban Renewal area that falls within Port Phillip.

²⁴ *Port Phillip Planning Scheme* Clause 22.15 Fishermans Bend Urban Renewal Area Policy 22.15-4.3

²⁵ *Fishermans Bend Framework* Victorian Government, October 2018

Map 1. City of Port Phillip with Fishermans Bend – Port Phillip Municipal Planning Scheme 21.02



city of port phillip locality map

1.4 City of Port Phillip

Map 2 below sets out the populations at 2018 and the projected populations as at 2027 for the nine neighbourhoods.

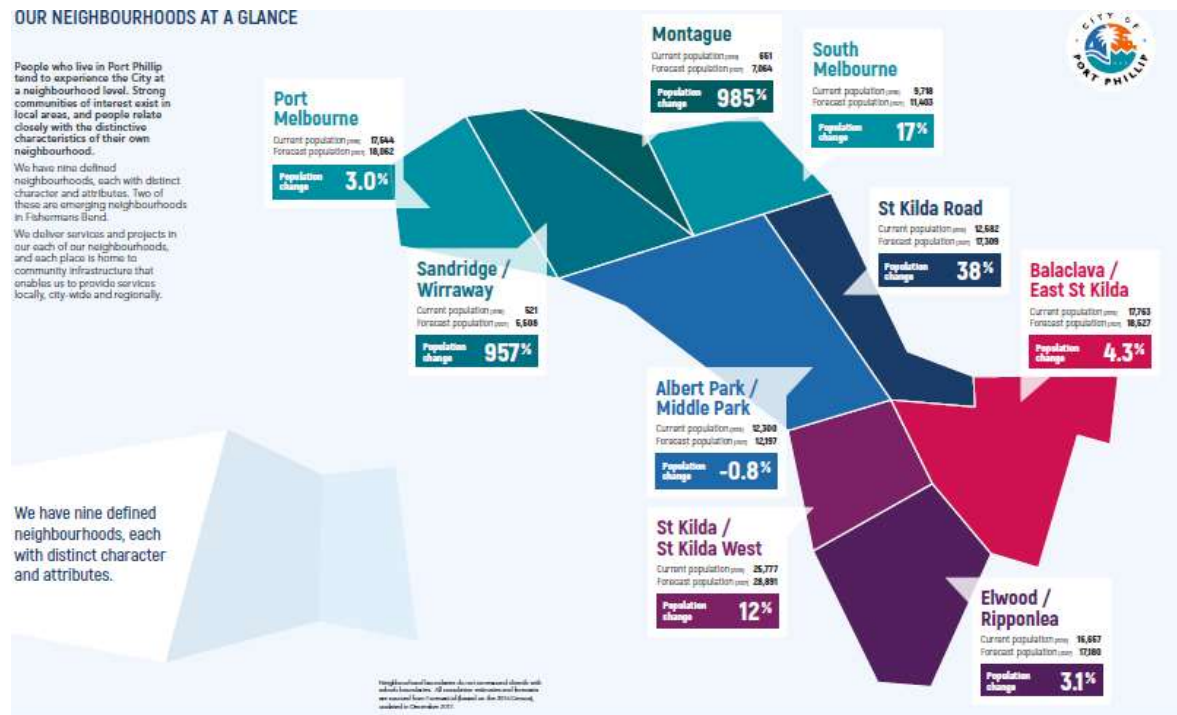
Whilst Port Phillip is only 21 square kilometres, it is densely populated, with more than twice the population density of the metropolitan Melbourne average. Significant population growth is expected with the estimation of more than 168,549 people by 2041.²⁶

The population growth will lead to an increased demand in the inner city and result in housing price increases, which can undermine socioeconomic and demographic diversity. *Housing affordability will continue to be a concern. Housing costs in Port Phillip are twice the Melbourne average and most low and moderate income households find buying a home and private rental increasingly unaffordable.*²⁷

²⁶ City of Port Phillip Council Plan, 2017-18, p. 24

²⁷ *ibid*

Map 2. City of Port Phillip Neighborhoods and Population 2018 and projected for 2027



Source: Port Phillip Today and Tomorrow Our Neighbourhoods Section @ City Plan 2017-2027

Port Phillip has been a local government leader in the provision of affordable housing. Port Phillip recognises that affordable housing is fundamental to a vibrant and livable city, and the health and wellbeing of its community. Moreover, Port Phillip has a commitment to maintaining a diverse, inclusive and equitable city, especially for those who are disadvantaged and marginalised.²⁸

The City of Port Phillip Council Plan 2017-2027

This plan has, as a key strategy, *an increase in affordable housing*. The outcome of increased affordable housing is to be achieved by:

1. Pursuing new, sustainable funding streams to significantly increase the supply of social housing.
2. Establishing and facilitating partnerships to support diverse and innovative new affordable housing projects and reduce the risk of homelessness.

Priority actions for the four years 2017-2021 include:

- Using Council’s property assets (land and air space contributions) and cash contributions to facilitate delivery of new community housing units by local housing organisations.
- Working with the Victorian Government and local community housing organisations to optimise benefits from existing social housing sites, through increased yield, quality and housing type, aligned to local needs.

²⁸ City of Port Phillip, *In Our Backyard - Growing Affordable Housing in Port Phillip 2015-2025*

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- Facilitating partnerships between the community housing, private and philanthropic sectors that fund and deliver new housing projects, including in Fishermans Bend.

Port Phillip has specific policies to implement an increase in affordable and social housing and reduce homelessness:

- *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*
- *Think + Act – Homelessness Action Strategy 2015-2020*

Additionally, the Port Phillip Planning Scheme includes a policy at Clause 22 for the development of FBURA which has, as one of its key objectives, the encouragement of affordable housing.²⁹

The planning scheme proposes that six per cent of housing in FBURA be affordable dwellings, as well as proposing a social housing uplift of one social housing dwelling for every eight dwellings.³⁰

City of Port Phillip – Social and Community Housing Provision

Social housing provides rental housing in perpetuity to low household income groups. In the City of Port Phillip, the following are providers of social housing³¹:

Public housing – provided, owned and managed by the Department of Health and Human Services (DHHS), Victorian Government. DHHS charges rent at 25% of gross household income.

Community housing – provided, owned and/or managed by community housing organisations. There are two main types of community housing organisations in Victoria:

- **Registered Housing Associations** develop, own and manage housing. Whilst Housing Providers generally focus on management of social housing, some are also developers and owners of community housing. Some community housing developed by Housing Associations and Providers can be developed independently of government. Housing Associations charge rents at 25% of gross household income. At the same time they can charge rents up to 30 % of income (up to 75 % of market rent), for housing they own. Registered Housing Associations can house people with incomes up to 65 % higher than incomes of people living in public housing.
- **Housing Providers** charge rents of up to 25% of gross household income for DHHS-owned housing they manage and can charge rents up to 30% of gross household income for housing they own.

There are five community Housing Providers based in Port Phillip³²:

- **HousingFirst** (formerly the Port Phillip Housing Association) a registered housing association whose primary focus is within Port Phillip, managing 684 units in the municipality³³, including 50 family units, five of which have three bedrooms. Of the total units, 408 are owned and/or managed under the Port Phillip Housing Trust and must house people who have a significant

²⁹ Port Phillip Planning Scheme, 22.15-2

³⁰ Port Phillip Planning Scheme, 22.15-4.3

³¹ City of Port Phillip *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*

³² Data has been sourced organisation's annual reports and information supplied by the organisations during the research.

³³ HousingFirst Annual Report 2016-2017

connection to Port Phillip. *HousingFirst* provides housing for low income wage earners and key workers whose income falls within the social security income levels, sometimes advertising this housing on Gumtree. *HousingFirst* also builds community housing stock and has undertaken one partnership with DHHS for the redevelopment of public housing outside Port Phillip.

- **South Port Community Housing Group Inc (SPCHG)** is a registered housing provider managing 287 units, 283 tenancies, 14 multi-units, as well as 12 family properties previously belonging to St Kilda Co-operative.³⁴ It currently owns one property and leases another, both properties it has developed.
- **St Kilda Community Housing Ltd (SKCH)** is a registered housing provider managing 337 units. It owns two properties which it is currently redeveloping. It is involved in a program to establish Community Land Trusts (as a form of perpetually affordable home ownership for moderate income households).
- **Launch Housing** is a registered housing provider and provides housing and support to people linked to Port Phillip (19 units, plus 195 Transitional Housing Management units).
- **YWCA Housing (Victoria)** is a registered housing provider and provides 38 beds on two year leases for older single women. Clients are over 25 years of age. It has recently increased its stock by 21 units which have a mix of one and two-bedroom units.

1.5 The Implications for the Port Phillip Housing Needs Allocations Framework

The Victorian Government has a substantial policy and program focus for stimulating the growth of affordable and social housing. By defining and setting affordable housing income levels, in the *Planning and Environment Act 1987*, for very low, low and moderate-income households, the government has established the benchmark for assessment of housing needs in this framework. As well, under the established guidelines, *Sc173 Planning and Environment Act 1987*, the State Government delivers the key message that there is a role for collaboration between local government and the private sector in creating affordable housing.

Moreover, the Commonwealth Government's new funding mechanism for affordable housing, such as the bond aggregator, could act as a limited stimulus for growing effective partnerships between the housing development industry and community housing organisations.

Port Phillip has the prospect of taking advantage of these policies and programs to work in partnership with the private sector and community housing providers to build substantial affordable and social housing across Port Phillip and in the new development of the Fishermans Bend Urban Renewal Area.

1.6 The Affordable Housing Crisis – The Research Context

The government initiatives signal growing awareness of the scale of the social and affordable housing problem, but they are of a form and scale that will not enable growth of housing stock to a level anywhere approximating need over coming decades. Local governments will continue, in the face of a shortfall of appropriate stock, to suffer problems of homeless and housing stress and the spillover effects of these. The challenge for local government is how to capture and maximise the

³⁴ Per conversation with CEO August 2018 and Annual Report 2017

potential of the limited programs that exist.

Australian Context

The lack of affordable housing is a national problem, as housing prices have risen steadily over the past four decades and most steeply in the past decade. Housing affordability has declined markedly in Australia since the 1980s. Over the last 20 years (1994/95-2015/16) there has been a shift from outright ownership to owning with a mortgage and from overall ownership to private rental in Australia. In this period the proportion of households renting privately increased from 18.4 % to 23.3 %, at the same time there was a decline in public housing rentals by 2% from 5.5% to 3.5%.³⁵ The outlook for housing affordability in Australia is bleak, especially as the stock of social housing including both public and community housing has not kept pace with growth in the overall national dwelling stock and the number of households.

Homelessness

Moreover, Australia's rate of homelessness is outpacing population growth, and housing demand is outstripping housing supply.³⁶ The 2016 Census estimated that 41 in every 10,000 persons were homeless and 7 percent of person experiencing homelessness were sleeping rough³⁷. From 2011 to 2016:³⁸

- Homelessness has increased by 14% in Australia and by 11% in Victoria
- Rough sleeping increased by 20% in Australia and by 3% in Victoria
- People living in overcrowded accommodation increased by 23% in Australia, with a doubling of the number of people born overseas living in extreme overcrowding in Melbourne.

In Port Phillip in 2018 two street counts were conducted, one in February and one in June 2018. The February Street Count,³⁹ identified 91 people sleeping rough in Port Phillip of which:

- 67% were men, 20% were women, and 1% transgender
- The average age was 38.6 years, the youngest just 15 years old the oldest 71 years of age
- 87% were Australian born; 33% were Indigenous
- 63% were in the St Kilda/St Kilda West area.

The June Street Count⁴⁰ found 392 people sleeping rough across the IMAP municipalities, with 65 people sleeping rough in Port Phillip:

- 71% were men, and 29% women
- 57% were 41-60 years of age, 21% were 21-40 years of age
- 77% were Australian born; 16% were Indigenous

³⁵ Australian Institute of Health and Welfare, (AIHW) 2018, data provided at, the *National Homelessness Conference* 6-7 July Melbourne, using ABS Census 2018

³⁶ Staikos Steve, 2018, First Step on the Road, Mandatory Social *Housing Community Housing Industry Association Victorian News*

³⁷ ABS 2016 Census of Population and Housing

³⁸ Launch Housing, *Australian Homelessness Monitor, 2018*, www.launchhousing.org.au

³⁹ Launch Housing *City of Port Phillip Street Count 2018 Final Report*, May 2018

⁴⁰ *StreetCount 2018: A snapshot of people living rough*, Inner Melbourne Action Plan (IMAP) Cities of Melbourne, Maribyrnong, Yarra, Stonnington and Port Phillip.

These street counts contrasts to the 2016 Census estimates that in Australia, 54% of person experiencing homelessness were between 25 -54 years of age, 39% were under 25 years of age and 14% over 55b years of age.

One of the faster growing populations experiencing homelessness is older people 55-74 years of age with a 55% increase in this age cohort facing homelessness from 2006 to 2016.⁴¹

The main reasons the number of people seeking housing assistance has been rising rapidly, increasing by 32% from 2014-15 to 2016-17, is that they face homelessness due to a housing crisis linked to eviction, foreclosure and rental arrears. During the same period there was a 40% increase in domestic violence being cited by women as a factor contributing to their homelessness⁴².

Households Confronting Housing Stress

The Australian Institute of Health and Welfare (AIHW) identified several population groups that are susceptible to housing stress due to their vulnerabilities. These groups are:

Older people (65 years and over) are susceptible due to their reduced earning capacity, retirement incomes being lower than earned incomes, and the increased expenses due to the potential onset of health issues and need for appropriate housing

Single people, both young and old. Young single people are susceptible due to their limited income and older single people's vulnerability is linked to their tenure i.e. renting with limited property assets if renting in retirement.

Lone parents with dependent children are susceptible due to their limited income

Aboriginal and Torres Strait Islander people vulnerability is exacerbated by existing disparity between Indigenous and non-Indigenous Australians.⁴³

Older single women have been identified in numerous reports and research studies⁴⁴ as a group that is particularly susceptible to homelessness and increasingly approaching housing and homelessness services for support. The reasons for older women's vulnerability are linked to economic and social factors that result in older women's financial disadvantage including:

- the gender pay and superannuation gaps – women retire with generally half of men's superannuation and some with no superannuation

⁴¹ Launch Housing, *Australian Homelessness Monitor, 2018*, www.launchhousing.org.au

⁴² Launch Housing, *Australian Homelessness Monitor, 2018*, www.launchhousing.org.au

⁴³ Australian Institute of Health and Welfare (AIHW) 2018 op.cit.

⁴⁴Tually S., Beer A. and Faulkner D., 2007, *Too Big to Ignore: Future Issues for Australian Women's Housing 2006-2025* AHURI Southern Research Centre; Sharam, A. 2008, *Going it Alone: Single, Low Needs Women and Hidden Homelessness*, Women's Information, Support and Housing in the North, Melbourne; McFerran, L. 2009 *The disappearing age: a strategy to address violence against older women*, Older Women's Network NSW Inc.; Human Rights and Equal Opportunity Commission 2007, *It's about time: women, men, work and family*, final paper 2007, HREOC, Sydney, viewed 24 August 2007; Casey, S. 2002, 'Snakes and ladders: women's pathways into and out of homelessness', in T. Eardley and B. Bradbury (eds), *Competing visions: refereed proceedings of the national social policy conference 2001*, Social Policy Research Centre report 1/02, University of New South Wales, Sydney, pp.75-90

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- change in circumstance such as divorce, death of partner, change in health⁴⁵
- family violence including elder abuse
- part-time work and time out of the workforce due to caring for children and other family members.⁴⁶

However, the housing affordability problem is not only due to insufficient supply of affordable and social housing stock. The problem also relates to the location of dwellings relative to where householders live or want to live, their income relative to housing prices, the preferences of householders for different types of dwellings and the size of households relative to the size of housing (number of bedrooms). For example, families with three or more children struggle to find suitable housing stock of three or more bedrooms, and low income may lead people to move to areas with lower priced housing but with limited public transport and social infrastructure, increasing their cost of living.

Factors Contributing to Deterioration of Housing Affordability

A range of factors are impacting on the rapid deterioration of housing affordability and the rise in homelessness including:

- Housing demand outstripping the supply of housing
- Low income levels and high housing costs, especially the low incomes of people on Centrelink payments who are living in poverty and older women who have limited savings, including superannuation
- High cost of housing including cost of both mortgage payments and associated costs such as rates and maintenance, and rental costs and associated payments such as energy and water supply costs
- Problems confronting different population groups making it difficult for them to compete for housing, such as women who have left a situation of family violence but have no references, similarly new migrants and young people not having references, and discrimination, though illegal, facing low income people seeking private rental housing
- Poor quality housing, especially in relation to environmental sustainability and the ongoing cost of maintenance, heating, lighting and cooling. Poor construction with no light or heating provided in rental properties resulting in high living costs.
- Poor location in relation to access to services, facilities, education, employment and transport and associated non-monetary factors, resulting in households incurring extra travel cost and time spent travelling from low cost outer areas to inner suburbs for employment
- Land values, high land development and housing construction costs (including approval costs, delays and government charges).

The gap in supply provides significant opportunities for the housing industry to increase production of new dwellings either through greenfield developments on the edge of the major cities, infill developments and conversion of properties for residential purposes. Yet the housing

⁴⁵ Equity Rights Alliance and Homelessness Australia, 2015, *Ending and Preventing Older Women's Experiences of Homelessness in Australia: Joint Submission of Homelessness Australia and Equity Rights Alliance to the Senate Inquiry on the Economic Security of Older Women*

⁴⁶ YWCA, 2018, *Older Women's Homelessness Issues Paper* page 5

industry's supply response has, to date, been inadequate to meet the demand.

New and Emerging Affordable Housing Products

There is a range of housing products that could address the housing needs of moderate income earners and alleviate the bottlenecks in the housing system. These bottlenecks occur when moderate income earners are unable to gain entry to home ownership due to inadequate incomes yet at the same time they cannot afford private rental housing but are forced to remain in the private rental markets as their moderate income is too high to be eligible for social housing. New and emerging housing products targeting moderate income households can, over time, reduce the bottlenecks, and diminish the social polarisation between social and private market housing.

The range of affordable housing products currently being considered by the State Government, the community housing and private sectors, includes –

Two affordable rental housing arrangements:

1. **Build to Rent** – where a developer builds multi-level apartments as a rental investment. This provides an opportunity for governments (state and local) to explore financial subsidies or incentives that could be provided to developers, under planning mechanisms, to invest in affordable Build to Rent that includes a proportion of discounted rental units. This is similar to the National Rental Affordability Scheme (NRAS) which subsidised private developers to provide rental units discounted at 20% below market rates for 10 year terms.
2. **Rent to Buy** – where a developer builds rental units providing the units' tenants with the opportunity to purchase their dwelling over time. This allows the possibility for government(s) to seek a proportion of the units to be allocated to moderate income earners, or community housing organisations, with a further option for the community housing organization to buy the units at a discounted price for perpetual community housing.

Two affordable home ownership arrangements:

1. **Shared equity housing** – where a developer can be encouraged to target dwellings at lower or moderate-income households who purchase a proportion of equity and the developer holds the balance. The tenant purchasers are then allowed to progressively purchase the property with their rising to 100% equity over time or on sale of the dwelling.
2. **Community Land Trusts (CLTs)** – provide perpetually affordable home ownership where a proportion of units are targeted at moderate income households who only pay for the construction costs and agree to a resale formula that perpetually limits capital gains on resale of the property. While no CLTs have yet been established in Australia, this product is common in the United States and the United Kingdom and likely to emerge over the next 5-10 years. CLTs could be encouraged as:
 - an alternative or an addition to developer contributions for community housing for a proportion of units, where these units are managed by a community housing organization

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- a discounted sale to a community housing organisation operating a CLT.⁴⁷

City of Port Phillip

If Australia has a problem, inner urban areas like Port Phillip have an even greater one because of gentrification. This entails the remaking of our cities where a premium is placed on inner city living locations, and house prices and rents rise to reflect the premium locations. In Port Phillip, the cost of renting and purchasing housing has increased significantly faster than increases in income levels and housing costs in most other parts of Melbourne with the result that home ownership has become increasingly unaffordable for low and moderate income households.⁴⁸

Using the benchmark ratio of rent/mortgage costs to household income of 30%, in Port Phillip:

- less than 1% of private rental housing is affordable to low income households
- rental housing is unaffordable to all households up to the lower 60-70 % of the income range
- home ownership is unaffordable for persons in lowest 70 % of the income range, and median priced houses or units are generally only affordable to persons in the highest 10 % of the income range.⁴⁹

In 2013, a study of the options for affordable housing as part of the FBURA found that just 1.3% of new housing in Fishermans Bend is projected to be affordable to all households. Moreover, without government intervention and delivery mechanisms it is projected that the private housing market will exclude:

- All very low and low income renters and purchasers, comprising small households with singles and couples, and family households with children.
- All moderate income renting and purchasing family households.
- Two thirds of small moderate income purchasing households.
- One third of small moderate renting households.
- Low income wage earners / key workers.⁵⁰

In 2018, SGS Economics and Planning assessed the current and projected social housing need in Port Phillip using data from the 2016 Census. This assessment proposed housing need by household type in order of priority of the household groups requiring assistance. The assessment projected the minimum social housing requirement as 7,592 dwellings, which meant that in 2016 13.7% of Port Phillip's housing stock should have been some form of permanent social housing.⁵¹

⁴⁷ A current IMAP project, being prepared by the University of Western Sydney, is the preparation of a second companion document (to be published late October 2018) to the *Australian Community Land Trust Manual* (2013), outlining how CLTs can be established in Australia.

⁴⁸ City of Port Phillip *In Our Backyard – Growing Affordable Housing In Port Phillip 2015-2025* pg 7

⁴⁹ City of Port Phillip *In Our Backyard – Growing Affordable Housing In Port Phillip 2015-2025* pg 7

⁵⁰ Judith Stubbs & Associates, 2013, *Fishermans Bend Urban Renewal Area: Options for Delivery of Affordable Housing*

⁵¹ SGS Economics and Planning, 2018, *"In Our Backyard" Housing Program Review*, pg 47

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The breakdown of the need by household type proposed by SGS is:

- **Homeless households** – living in improvised dwellings, tents or sleeping out 72
- **Homeless households** – living in supported homeless accommodation, staying with other households, rooming houses, temporary lodging, severely crowded dwellings 1,035
- **Marginal households** – living in other crowded dwellings, improvised dwellings, caravan parks 73
- **Low income rental households in severe rental stress** – (social housing, person experiencing homelessness and marginal households) 2,085
- **Low income rental households in rental stress** – (excludes households in severe rental stress, social housing, person experiencing homelessness, and marginal households) 1,647
- **Low income households in social housing** 2,686

On this basis SGS estimated the shortfall projected to 2025 assuming no further investment in social housing by State Government or other Social housing. The estimation of the shortfall in 2016 and 2025 is set out below:⁵²

	2016	2025
Total housing stock Port Phillip	55,413	70,800
Required stock of social housing Port Phillip @13.7%	7,592	9,700
Available stock of social housing Port Phillip	3,160	3,160
Shortfall in stock of social housing	4,432	6,540

Port Phillip's housing policy proposed that to maintain its current 7.2% proportion of social housing for the next decade, 920 new social housing units would be required⁵³. As 170 new units will be provided through Council's commitment to leverage its existing under-utilised property assets, a further 750 dwellings will need to be provided by numerous means including partnerships with the private sector and community housing organisations.⁵⁴

Whilst the 920 units of social housing stock is desired, SGS estimates that this is only 14% of the total requirement for social housing in Port Phillip.⁵⁵

The priority and other housing needs groups identified by the City of Port Phillip comprise:

Table 1 City of Port Phillip Affordable Housing Priority Needs Groups

Priority Needs Groups	Other Needs Groups
Older persons particularly Single women	Older Single men
Low Income including larger families	Smaller families
Singles at risk of homelessness	Couples
Low income wage earners / key workers	Youth

Source: City of Port Phillip *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*

⁵² Ibid pg 47 Tables 2 & 3

⁵³ City of Port Phillip *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025*

⁵⁴ City of Port Phillip *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025* pg 7

⁵⁵ SGS Economics and Planning, 2018, *"In Our Backyard" Housing Program Review*, pg 47

Section Two: Affordable Housing Needs Assessment

2.1 The Concept of Housing Need

Needs assessment, as a process of identifying and prioritising needs, is crucial for successful allocation of limited funds and land for the development of the required 720 affordable dwellings required in Port Phillip. However, measuring need is not an easy process, as need can have an emotive meaning which tends to imply some sense of worthiness or reward. Thus, to say a group is 'in need' tends to imply a moral appeal for a course of action.

Overlaying and sometimes reinforcing the emotive meaning is the ambiguity in the use of the term. For example, when we say that 'public spending should be directed to those in most need', it has the effect of diminishing the scale of overall need as those without most need are seen to be less deserving. For example, in Australia with a small proportion of social housing, 'most need' has come to be interpreted as households who not only have a housing problem but overlay it with a range of complex issues such as mental illness, addiction, family and domestic violence. This has meant structuring eligibility access for housing allocation in such a way that households cannot access social housing if they just have a housing problem, such as a major affordability problem, overcrowding, poor quality housing, poor amenity, isolation, unsafe or insecure housing, and those living in locations remote from education, employment, transport, cannot access social housing.

In principle there are three broad levels of housing need and the policy consequences as set out in Table 2 below.

Table 2 Level of Housing Need and Policy Consequence

Level of Housing Need	Potential Income Levels	Social/Affordable housing Requirement
Households unable to afford appropriate (secure and affordable) private rental or purchase who have no other housing or wellbeing issues and are ineligible for public housing.	Moderate Income	Significant opportunity for affordable social housing without support provision and with shallow subsidy, e.g. discounted market rent.
Households with major affordability issues who may have other housing issues, e.g. locational needs, but at a level which does not warrant <i>priority</i> access to social housing.	Low to moderate income depending on circumstances	Major growth opportunity for social housing but without support. Moderate subsidy required.
People who experience issues in 1 and 2 above and suffer wellbeing issues (such as domestic violence, disability) which warrant priority allocation.	Very low to moderate income depending on circumstances	Conventional role of social housing but one which also requires support provision. Deep subsidy, e.g. land, capital and recurring costs required.

Setting aside definitional issues there is also the problem of measurement, of which there are two broad methods.

2.2 Measures of Need

There are numerous ways to measure housing need and these are summarised below. A brief discussion of each measure is provided with an outline of the advantages and problems with using each measure.

Objective need is need established by 'experts' based on a standard criterion or measure, such as a poverty line or an affordability measure.

Subjective need is that expressed by clients based on their own perspective of need. This can be expressed through client surveys or by clients' actual application to a service. The problem is clients may not be able to adequately identify their needs, as distinct from their wants. Moreover, client needs are often shaped by harsh day-to-day realities including eligibility criteria for services or the stigma that attaches to a service.

Expressed need is used by economists as it equates with demand, expressed through the market (amount of goods or services which consumers are willing and able to pay for) or through waiting lists for public or community services. For market expressed demand, there is the dilemma of whether it genuinely represents a person's need or whether it reflects the lack of alternative consumption possibilities such as, in the case of housing, affordable and available private rental housing. There is also a more fundamental problem. Market-based demand requires an income to express it, and therefore if demand is not expressed it is considered there is no need. This is a problem for social housing, hence the use of waiting lists.

Waiting lists as a measure of expressed need are also problematic. They tend to underestimate need, particularly for services where there may be a lack of awareness of a program. Thus, as Burke et al ⁵⁶ found, almost half of CRA recipients were not aware that they may be eligible for public housing, greatly understating rental need. The same study found that the stigma attached to public housing and the lack of locational choice also deterred application. Additionally, the wait time is so long for non-priority clients that many households see no point in applying. On top of these problems with waiting lists as the major measure of expressed need, waiting lists are subject to changes in eligibility (tighter eligibility reduces the list) and culling, making it difficult to ascertain the real needs.

In addition, the concepts of met and unmet needs are also relevant to measure demand for social housing.

Met need is the absolute number and/or proportion of households whose needs have already been met because they are currently in public housing. The absolute met need is effectively all those currently in social housing.

Unmet need is the number and/or proportion of households who are in need in the private rental market.

The *proportion in met need* is the absolute number of households in social housing expressed as a percentage of the sum of the number in social housing plus those with unmet need in the private rental market. As noted, a good proportion of private rental households may have unmet needs

⁵⁶ Burke, T., Neske, C. and Ralston, L., 2005, *Which households eligible for public housing do not apply and why?*, AHURI Research and Policy Bulletin No. 62, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/research-and-policy-bulletins/62>.

simply because the nature of the social housing system precludes their ability to express their needs, i.e. unavailability of social housing due to lack of suitable or sufficient stock, and their ineligibility for social housing stock.

Met and *unmet need* are particularly relevant to measuring the demand for social housing.

2.3 Port Phillip Housing Needs Assessment Methodology

This report uses the expressed needs methods using waiting list data only as a context for deeper assessment and analysis by undertaking extensive and detailed measurement and analysis of those with unmet needs in the private rental sector. This recognises the problems of using waiting lists to determine expressed need.

The report measures expressed need using a methodology that focuses on rents in relation to income for an appropriate dwelling relative to dwelling size. As such, we excluded households with housing problems outside the private rental sector, that is owner occupancy, and those in the private rental sector with problems other than affordability, e.g. dwelling quality, energy costs.

Additionally, expressed need was determined from interviews held with five community housing organisations that provide housing to people with a connection to Port Phillip and/or have housing stock in Port Phillip. These interviews led to anecdotal information regarding housing need and unmet needs. Moreover, each housing organisation provided current data.

Income and Housing Need

The range of households in housing need can be further limited by excluding households on high and very high household incomes. As a result, only those households on very low to moderate household incomes are considered. These households can be defined as:

- Those receiving a Centrelink payment including Family Tax Benefit A.
- Those households whose income is in the very low, low and moderate income ranges as defined by the Victorian Government. The Victorian Government definitions of these incomes is set out in Table 3 below which indicates the households whose income falls within the affordable housing income ranges. Specification of income ranges for the very low income range, low income range and moderate income range respectively, are from Section 3Ab *Planning and Environment Act 1987*.⁵⁷

This Victorian Government determination of affordable housing has formed the benchmark for this analysis.

⁵⁷ Victorian Government Gazette No. S 256 Friday 1 June 2018. The methodology used to develop these gazette incomes per household type is as follows: ascertain the median single person gross income, then take 50% of the median income for very low income and using that dollar figure convert it into income per household type using an equivalisation method i.e. 100% for the first adult, 50% for the second and subsequent adults and 30% for each child.

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Table 3 2018 Affordable Housing Income Levels for Greater Capital City Statistical Area of Melbourne

Household	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to \$25,220	\$25,221 to \$40,340	\$40,341 to \$60,510
Couple, no dependants	Up to \$37,820	\$37,821 to \$60,520	\$60,521 to \$90,770
Family (with one or two parents) and dependent children	Up to \$52,940	\$52,941 to \$84,720	\$84,721 to \$127,080

Source: Planning and Environment Act 1987, Section 3Ab, Order in Council

At the same time, it is worth noting that the Australian Taxation Office defines a low income earner as earning an annual taxable income of \$66,667 or less.⁵⁸ As such, applying the affordable housing incomes established by the Victorian Government in June 2018 (Table 4 above), the following groups who receive an income above this \$66,667 per annum are:

- All families on moderate incomes
- Some couples on moderate incomes (near the lower end of the income range)
- Some families on low incomes

Additionally, the average weekly earnings in Port Phillip in 2018 is estimated at \$1,422 i.e. \$73,944 per annum (refer to section 2.5.4 Key Workers and Affordable Housing). The following groups (Table 3 above) receiving an income above this are:

- All families on moderate incomes
- Some couples on moderate incomes

This report uses the Victorian Government affordable housing income levels.

2.4 Community Housing Organisations' Needs Assessment

To gain an understanding of the subjective expressed and unmet needs for affordable housing in Port Phillip interviews were held with community housing organisations that provide housing for people in housing stress who have connections to or who are based in Port Phillip. Five community housing organisations representative(s) were interviewed. The organisations are listed in the order in which they were interviewed.

Launch Housing Heather Holst, Deputy CEO: Launch Housing's focus is on assisting and advocating for people who are homeless. It manages crisis accommodation units⁵⁹ and transitional housing and support services for people experiencing or at risk of homelessness and provides housing information and referral services on behalf of the Victorian Government.

YWCA Housing (Victoria) Louise Daniel, Regional Manager: Provides community housing for young and older single women and families, and more recently management of a temporary leased property (pop-up housing) and transitional housing in the South Melbourne area.

South Port Community Housing Group Ltd, (SPCHG) Janet Goodwin, General Manager: Builds, owns and manages community housing for very low and low income single adults, couples and young

⁵⁸ <https://www.ato.gov.au/Individuals/Income-and-deductions/Offsets-and-rebates/Low-income-earners/> viewed 19 October 2018

⁵⁹ Crisis accommodation and transitional properties are for people experiencing homelessness to live in while we Launch works with them to find suitable long-term housing.

people (in particular persons at high risk of homelessness). Operates in the Port and South Melbourne parts of Port Phillip . SPCHG also manages family units in St Kilda / Elwood that were formerly from the St Kilda Rental Housing Co-operative.

St Kilda Community Housing Ltd, (St KCH) Shane Austin CEO, Joanne Holl Senior Manager, Tenancy & Reporting: Builds, owns and manages community housing for very low and low income singles, couples and low income wage earners (in particular persons with a high risk of homelessness). Operates in the St Kilda area, and has an interest in considering opportunities across Port Phillip. St KCH also is establishing a Community Land Trust program targeting moderate income households.

HousingFirst Ltd, Haleh Homaei CEO, James Wray General Manager, Housing Services: Builds, owns and manages community and private housing for very low and low income older persons, younger singles, couples, families and low income wage earners, including persons with a high risk of homelessness. This housing is managed under both the Port Philip Housing Trust and the HousingFirst company.

A summary of the interview discussions is set out below.⁶⁰

A key point raised in the interviews was that people do not admit to homelessness and often use other terms such as 'transition phase in life' as homelessness is a shaming term.

Several interviewees proposed that consideration be given to alternative options to grow affordable housing, such as shared equity, build to rent and community land trusts. It was suggested that these affordable housing options could be provided to families with low to moderate incomes and used in mixed developments with cross-subsidies where moderate and higher income households subsidised lower income households.

Whilst it is recognised that all groups need affordable housing, the key unmet needs proposed by interviewees in relation to affordable housing include:

- Housing for low income workers especially unskilled workers, including people who work part time and receive a part Centrelink payment
- More housing options for at risk singles between 25 and 55 years of age both men and women
- Not enough housing and support for young people
- Lack of social housing for families especially larger families requiring three or more bedrooms
- More supported housing. Providing trauma and mental health support alongside housing will assist in ensuring a vulnerable person's housing tenure is stable and maintained
- Concerns regarding the lack of mental health support which is not covered under the National Disability Insurance Scheme (NDIS)
- Long term support for people who enter work programs and greater input and resources for job creation

The community housing organisations made specific comments about women and rooming houses, and these are summarised below.

- Women

⁶⁰ The interview questionnaire is included as Appendix 1.

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- A high proportion of women seeking housing are affected by family violence. However, the need for trauma support for these women may not surface till up to six months after their health issues are addressed.
- It appears that the waiting list for housing women over 55 years is smaller for community housing organisations that provide rooming house type accommodation.
- Rooming Houses (There are both women only and mixed gender community rooming houses)
 - People in dire need of housing will accept rooming house accommodation.
 - There was general agreement that rooming house accommodation is not suitable for young people under 21 years of age.
 - There were divergent views regarding whether rooming houses with shared bathrooms provide suitable housing, especially for people over 55 years of age. Most rooming houses have been converted to self-contained bed-sits. Even with these conversions, activities such as social meals and arts activities are undertaken in communal spaces. One agency has found that with the conversion of rooming houses to bed-sits the annual tenancy turnover has fallen from around 75 % to less than 10 %⁶¹

Generally, the interviewees liked the concept of the new Victorian Housing Register (VHR) common waiting list which should be operational in 2019. It was felt that it would eliminate duplication and the need for people to repeat their stories, which can be traumatic. However, there was wariness about the requirement to take 75% of applications from the priority waiting list. This requirement would limit the capacity of housing organizations to offer housing to people with limited assets who may not be able to afford private rental and are not on the priority housing list.

Community Housing Organisations' Expressed and Unmet Needs

The community housing organisations provided data regarding people assisted by the service including data on the prior housing situation of people approaching the services. However, given the different level of resources and different focus of the organisations, there were variations in the data provided and the time period of the data. The data provided from four of the organisations encompassed 2018:

- Two organisations provided data for the financial year 2017-2018
- One organisation provided data from their waiting list for August 2018
- Another organisation provided the intake data for the eight months from January to August 2018
- The fifth organisation provided data from the 2016-2017 Annual Report and for housing demand for October 2014 and proposed that there was little difference in the data to 2016 after which they no longer managed their own waiting lists.

Due to the different time periods the following table summarises the percentages for key data sets for 2018 for the five community housing organisations:

⁶¹ South Port Community Housing Group, *Annual Report, 2017*, CEO Report

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Table 4 Sex and Age Ranges Port Phillip Community Housing Agencies

Community Housing Organisation	Time period	Male	Female	Clients over 55	Males over 55	Females over 55	Under 25
Agency One	2017-2018	47%	53%	21%	56%	44%	2%
Agency Two	2017-2018	49%	51%	4.73%	3.4%	1.2%	19.5%
Agency Three	August 2018	Only data on women		5.8%	Not provided	Not provided	n/a
Agency Four	January – August 2018	67%	33%	Not provided	n/a	n/a	n/a
Agency Five	2016- 2017	53%	47%	49%	Not provided	Not provided	0.4% Under 21

Table 4 indicates that generalist community housing organisations appear to have similar numbers of female and male clients. However, it appears that more older women approach and are provided support from the organisations. Additionally, only one organisation provides any substantial support and services for young people under 25.

Table 5 Prior Housing Situation of Community Housing Organisation Service Users

Community Housing Organisation	Time period	Prior Housing Situation		
		Crisis Accommodation ⁶²	Homeless	Private rental
Agency One	2017-2018	50%	24%	15%
Agency Two	2017-2018	20.4%	24.8%	48%
Agency Three	August 2018	48.7%	13.6%	22%
Agency Four	January - August 2018	15.6%	9.00%	Not provided

Table 5 highlights that most people approaching the organisations are at risk of homelessness.

The organisations do not keep data on people they cannot and do not provide services for (i.e. unmet need), but they do have details of the referral agencies. The key referring agencies are:

- Launch
- Sacred Heart Mission
- Star Health (Community Connections)
- The City of Port Phillip’s Housing and Homelessness Service

Similarly, there is only limited information regarding why people end their relationship with the community housing organisation or leave community housing as there is no measure for this. The two organisations that provided 2017-2018 data attempted to supply some data for this which led to the following three key reasons:

- being referred to another specialist homelessness agency
- needs met with case management and/or support no longer required

⁶² Person living in crisis accommodation are considered homeless and the housing is short term and temporary

- eviction due to rent arrears.

Finally, the information supplied by the community housing organisations indicates that most people provided with support and social housing in 2018 were in receipt of a Centrelink income.

A significant finding is that three of the community housing organisations provide social housing for low income wage earners. The proportion of the clients ranges from 12% to 9% and 1% of all community housing organisation’s clients.

A troubling finding is that one organisation’s data revealed that 12% of their service users have no income at all.

2.5 Port Phillip Quantitative Needs Assessment

The quantitative needs assessment provides the objective assessment of housing need.

The data and needs analysis have been set out in sections.

2.5.1 People and Households

This section sets out the data for the population groups that have been identified as being in housing need by the City of Port Phillip. Table 6 sets out the priority housing needs groups.

Table 6 City of Port Phillip Affordable Housing Priority Needs Groups

Priority Needs Groups	Other Needs Groups
Older persons particularly Single women	Older Single men
Low Income including larger families	Smaller families
Singles at risk of homelessness	Couples
Low income wage earners / key workers	Youth

Source: City of Port Phillip In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025

The data that has been analysed has been primarily drawn from the 2016 ABS Census. This data focuses on the number of individuals and/or households, for the above eight high needs groups, who are living in private rental and whose incomes fall within the very low and low income ranges as set by the Victorian Government in June 2018.

The report focuses on the households that are privately renting and in receipt of very low, low and moderate incomes. These individuals and households are confronting housing stress due to the cost and insecurity of their housing. They are experiencing unmet need.

Families with Dependent Children

Key findings

There are low numbers of very low and low income families with dependent children in Port Phillip which is due to high private rental costs resulting in very low income families having the least options available for affordable private rental or home purchase. Many families

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with young dependent children living in private rental housing are experiencing homelessness .

The lack of suitable private rental stock, i.e. three+ bedrooms, and high private rental cost has led to low numbers of large families. At the same time there has been a substantive growth in two parent families with three or more children living in private rental (202% low income, 183% moderate income from 2011-2016). The lack of three and more bedroom stock limits the ability of low income families to rent or purchase housing even when they have enough moderate income.

Just under half of very low income couple and single parent households pay more than 50% of their income in private rental. These households are at risk of homelessness.

There is an immediate need for two to three bedroom stock both in the private rental and social housing markets.

The Needs Analysis

For this analysis we have defined small and large families as:

- Small Families – with one to two dependent children
- Large Families – with three or more dependent children.

Table 7 below indicates that there has been a major increase from 2011 to 2016 in large family couple households especially those families on low incomes (202%) and moderate incomes (183%). There has also been an increase in the numbers of couple households with smaller families (32%) for low income households, 66.5% for moderate income households, and a 22% increase for low income couple families.

The situation for sole parent families is quite different, with a decline in sole parent families with three or more children for all income levels. At the same time there has been a substantial increase in moderate income smaller sole parent families with up to two children (89.9%).

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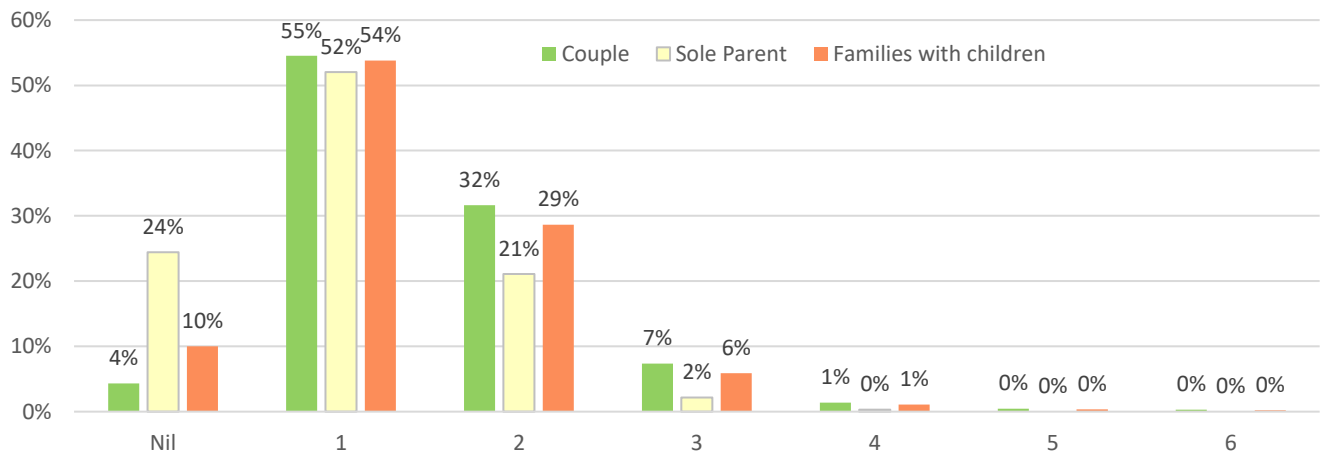
Table 7 City of Port Phillip Families in Private Rental at 2016 and the Changes from 2011⁶³

Small Family with 1 or 2 Children						
Income Type	Couple	% change from 2011 to 2016	Sole Parent		Small Families	% change from 2011 to 2016
	Households		Households	% change	Total	
Very Low	156	7.0%	323	3.5%	478	4.6%
Low	285	32.3%	211	21.8%	496	27.6%
Moderate	465	66.5%	223	89.9%	689	73.5%
Total	906		757		1,663	
Large Family with 3 or More Children						
	Couple	% change from 2011 to 2016	Sole Parent		Large Families	% change from 2011 to 2016
	Households		Households	% change	Total	
Very Low	14	7.9%	7	-46.6%	21	-20.0%
Low	40	202.4%	8	-22.2%	49	102.9%
Moderate	51	183.1%	4	-48.9%	56	111.8%
Total	106		20		125	

Source: ABS Census 2016 table builder

Figure 1 below graphically shows that in Port Phillip the highest proportion of families with dependent children with unmet need, due to their residing in private rental, was small families – one child families followed by families with two children.

Figure 1 Number of Dependent Children in Households living in Private Rental in City of Port Phillip at 2016



Source: ABS Census 2016

⁶³ The proportions are percentages of the household in that household groups i.e. small couple households (with one-two children) on very low incomes are 7% of all small family couple households. Also note that there is a slight difference in the totals due to rounding.

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Applying the projections for Port Phillip household groups developed by the Department of Environment, Land, Water and Planning (DELWP) for Victoria in the Future, as shown in Table 8 below, it is estimated that there will be a steady increase in all family households, with the highest numbers being smaller families, particularly couples on moderate incomes. Table 9 also indicates that large families with three or more children will increase, both couples and sole parents, despite the decline in large sole parent families between 2011 and 2016.

Table 8 Projection of City of Port Phillip Families with Dependent children in Private Rental at 2026

Income	Couple small families	Couple large families	Couple Total	Sole parent small families	Sole parent large families	Sole parent total	Total of families with children	
							Small	Large
Very Low	185	17	202	406	18	423	591	34
Low	339	48	387	225	14	239	564	62
Moderate	553	61	614	153	10	164	706	72
Total	1,077	126	1,203	784	42	826	1,861	168

Source: ABS Census 2016 and Victoria in the Future, Department of Environment, Land, Water and Planning

It is projected that families with dependent children living in private rental will continue to increase to 2026. Table 9 below reveals that in 2016 the number of very low income large families living in private rental is low. The numbers are projected to increase in 2026, especially for very low income families.

Table 9 Large Families living in Private Rental in Port Phillip 2016 and 2026

Large Families in Private Rental	2016	Projected 2026	% Change
Very low Income	21	34	61.5%
Low Income	49	62	27.1%
Moderate	56	72	29.0%
Total	125	168	33.8%

Source: ABS Census 2016 and Victoria in the Future, DELWP

Additionally, Table 10 below indicates that in 2016 Port Phillip had a very high proportion of families with one child, with just over half of all families with only one dependent child (54%), which is 14% higher than the proportion of families with one dependent child for Greater Melbourne (Melbourne Statistical District MSD).

Table 10 Families with Children Port Phillip and difference to MSD 2016⁶⁴

Dependent Children	Couple		Sole Parent		Families with children	
	Port Phillip	Difference to MSD ⁶⁵	Port Phillip	Difference to MSD	Port Phillip	Difference to MSD
no dependent children	4.3%	-3.6%	24.4%	-0.3%	10%	-3.5%
1	54.5%	14.3%	52%	13.4%	53.8%	14.1%
2	31.6%	-3.2%	21.1%	-4.3%	28.6%	-3%
3	7.4%	-4.7%	2.2%	-6%	5.9%	-4.8%
4 or more	2.2%	-2.8%	0%	-2.8%	1.6%	-2.7%

⁶⁴ Higher than MSD is %; lower than MSD is -%

⁶⁵ MSD – Melbourne Statistical District

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Source: ABS Census 2016

Older Single People

Key Findings

An increase in older single people 2011 to 2016, except males 75 and over, living in private rental.

In 2016 most (78%) women 75+ living in private rental were on very low and low incomes. This is an increase from 2011, 43% for very low income women and 67% for low income women. This is projected to increase by 2026. The percentage of women 60-74 years on low income living in private rental in 2016 grew substantially from 2011 (71.7%). Older single women are increasingly being confronted with housing related poverty which appears to be occurring in Port Phillip. Hence, there is a need for appropriate housing for older women 60+, such as women specific one bedroom accommodation, i.e. self-contained accommodation.

In 2016 there were marginally more single males aged 60 to 74 living in private rental on very low and low incomes than women. This may be linked to the high proportion of men living in private rooming house accommodation, which is not as suitable for women. There is a need for self-contained community accommodation as private rooming houses are closing.

The Needs Analysis

In 2016 in Port Phillip there were 568 older people over 60 year of age living in private rental housing with very low, low and moderate incomes and just under half (43.3%) were living on very low incomes and the majority (80%) were on either very low or low incomes, and most were in housing stress due to their income levels.

In 2016 the majority of women over 75 years of age (80%) were living on very low and low incomes. Table 11 below reveals that this group of older women had increased by 43% from 2011 for those on very low incomes and by 67% for those on low incomes. The number of very low income older women is projected to increase by 2026. Table 11 also reveals that in the age range 75 and over there are more older women than men living on very low and low incomes. This may be due to women's longer life expectancy. Men aged 65 in 2014–2016 have an expected age at death of 84.6 years, whereas women aged 65 in 2014–2016, have an expected age at death of 87.3 years⁶⁶.

⁶⁶ <https://www.aihw.gov.au/reports/life-expectancy-death/deaths-in-australia/contents/life-expectancy> July 2018

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Table 11 Single People over 60 years living in Port Phillip in Private Rental at 2016, change from 2011 and projection to 2026 by sex

Income		60-74 years of age			75 years of age & above			All Older Persons		
		Male	Female	Persons	Male	Female	Persons	Male	Female	Persons
Very Low	Persons 2016	90	80	170	26	50	76	116	130	246
	% change 2011	0.4%	-3.4%	-1.4%	-13.0%	43.2%	16.5%	-2.9%	10.5%	3.5%
	As at 2026	114	102	218	40	76	115	155	178	333
Low	Persons 2016	83	81	164	21	26	47	104	107	211
	% change 2011	4.3%	71.7%	29.4%	-14.6%	67.8%	18.2%	0.0%	70.7%	26.7%
	As at 2026	105	103	210	32	40	71	137	143	280
Moderate	Persons 2016	62	42	104	3	4	7	65	46	111
	% change 2011	19.4%	1.2%	11.2%	-34.2%	150%*	7.3%	14.7%	6.0%	11.0%
	As at 2026	79	54	134	5	5	10	84	60	144
Total in 2016		236	203	438	50	80	129	285	282	568

Source: ABS Census 2016, Victoria in the Future, DELWP and Planning and Environment Act 1987, Section 3Ab, Order in Council

Young People 15-24

Key Findings

There are low numbers of very low and low income young people. Moreover, young people in Port Phillip have a higher median income than in metropolitan Melbourne. At the same time, it is worth noting that there are higher numbers of young women living alone in private rental on low and very low incomes (181 in 2016). Hence, any focus on social housing for young people should be on housing for young women, taking note however that shared households may not be the most suitable due to safety and security reasons.

The Needs Analysis

In 2016 there were 2,039 young people between the ages of 15 and 24 years of age living in private rental in Port Phillip, and 475 were living alone, as shown in Table 12. In 2016 moderate income lone young people was the largest group of young people. However, in 2016 very low income young people living in group households were the highest proportion of group households (614 young people). This is because the very low income of single young people would make it difficult to afford private rental.

Comparing Port Phillip to the MSD in Table 12 below reveals that in Port Phillip there were proportionally more moderate income lone young people (32%) than in the MSD (23.5%). Interestingly the proportion of low income young people both living alone and in group households was similar in Port Phillip and the MSD in 2016.

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Table 12 Young People 15-24 years of age living in Private Rental in Port Phillip 2016

Port Phillip	Lone Person		Group Household		Total	
	No	% of total	No	% of total	No	% of total
Very low	159	27.9%	614	34.0%	773	32.6%
Low	134	23.6%	465	25.7%	599	25.2%
Moderate	182	32.0%	485	26.9%	667	28.1%
Total	475		1,564		2,039	

Melbourne (GM)	Lone Person		Group Household		Total	
	No	% of total	No	% of total	No	% of total
Very low	4,550	38.6%	24,888	48.1%	29,438	46.3%
Low	2,788	23.7%	13,083	25.3%	15,871	25.0%
Moderate	2,769	23.5%	9,307	18.0%	12,076	19.0%
Total	10,107	85.7%	47,278	91.4%	57,385	90.3%

Source: ABS Census 2016

Table 13 below shows the number of young people who are in receipt of very low and low income living alone in private rental by sex and indicates that there has been a decline in very low income lone young people since 2011 in Port Phillip. Table 14 shows that there are more young women on very low, low and moderate incomes in private rental with over half (55.6%) of the young women, 181, living on very low and low incomes in private rental. This is more than for young men (45.1%, 116 people). Whilst there was a decline in young women in very low incomes in rental housing from 2011 to 2016, it is projected that there will be more young women living in private rental with very low and low incomes in 2026 than young men.

Table 13 Young People 15-24 living in Private Rental in Port Phillip in 2016, percentage change from 2011 to 2016 and projection for 2026

Income Level		Male	Female	Persons
Very low	Lone people	64	96	160
	% change 2011	15.1%	-11.8%	-2.7%
	As at 2026	83	125	208
Low	Lone People	52	85	137
	% change 2011	9.0%	24.1%	17.9%
	As at 2026	67	110	177
Moderate	Lone people	84	102	186
	% change 2011	14.4%	-6.2%	2.1%
	As at 2026	109	133	241
Total*	Lone people	200	283	483
	% change 2011	13.2%	-1.1%	4.3%
	As at 2026	259	368	627

Source: ABS Census 2016 and Victoria in the Future, DELWP, Planning and Environment Act 1987, Section 3Ab, Order in Council

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Table 14 below compares the proportion of young people by income levels living in Port Phillip and for metropolitan Melbourne. Table 14 highlights that in Port Phillip there is a much lower percentage of young people on very low and low incomes.

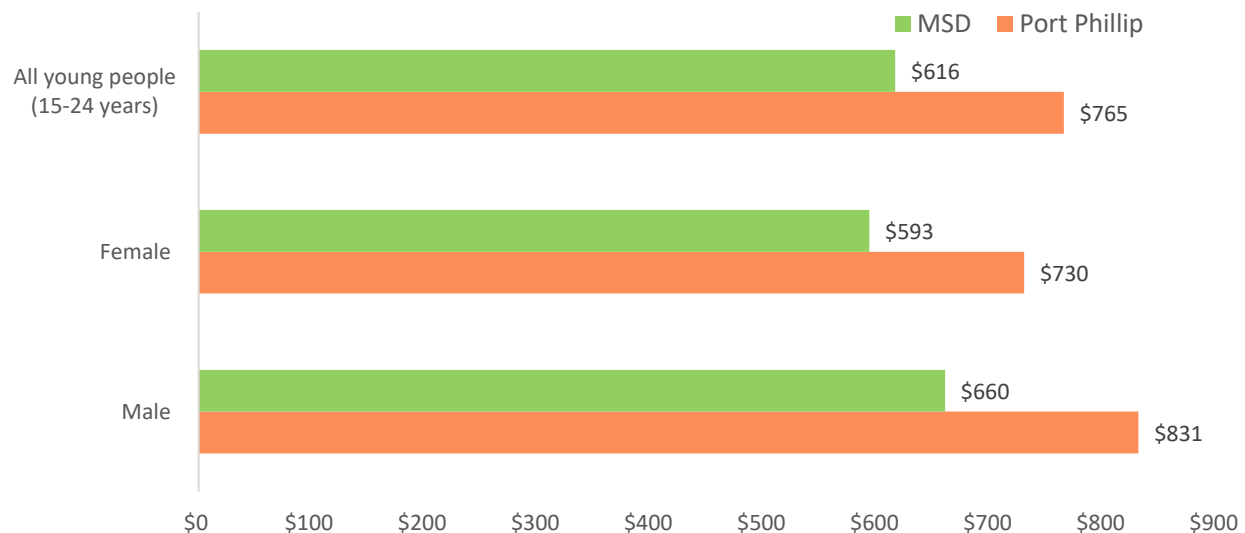
Table 14 Comparison of Young People 25-24 by Gender, Living in Private Rental, By Income Level Port Phillip and Metropolitan Melbourne 2016

Income Range	Males			Females			Persons		
	PP	MSD	difference	PP	MSD	difference	PP	MSD	difference
Very Low	24.9%	36.9%	-12.0%	29.6%	40.4%	-10.9%	27.5%	38.7%	-11.3%
Low	20.2%	22.5%	-2.3%	26.0%	24.6%	1.4%	23.4%	23.6%	-0.2%
Moderate	32.6%	23.9%	8.7%	31.3%	22.8%	8.5%	31.9%	23.4%	8.6%
Low & Very low	45.1%	59.4%	-14.3%	55.6%	65.1%	-9.5%	50.9%	62.4%	-11.5%

Source: ABS Census 2016 and DELWP, Planning and Environment Act 1987, Section 3Ab, Order in Council

Figure 2 below reveals that the median incomes of working young people were higher both for males and females, in Port Phillip than median incomes for metropolitan Melbourne in 2016. In fact, the median incomes for males in Port Phillip was 35% higher and for females 18% higher than the MSD median for all young people in 2016. This implies that young people need to have higher incomes to live in Port Phillip.

Figure 2 Comparison of Median Incomes of Young People 15-24 Port Phillip and MSD 2016



Source: ABS Census 2016

The lack of affordable housing for very low and low income young people living in private rental may be the reason for the reduction in the number of young women from 2011 to 2016. Although it is projected that there will be an increase in both very low and low income single young people living in private rental in 2026.

Single Adults

Key Findings

Single men and women aged 40 to 59, living on very low and low incomes, are continuing to live in private rental dwellings. Males living in improvised dwellings with an older age profile are experiencing homelessness. Most single males are living in private rooming houses, which is an ABS category of homelessness.

There was decline from 2011 to 2016 in the following single households:

- *single men and women aged 25-39 years on very low incomes*
- *men aged 25 to 59 on very low incomes*
- *low income men aged 40 to 59.*

The data indicates that middle aged single people (40-59 years) are opting to 'age in place' and choose to live near their networks and connections, even when housing costs are high in the private rental market. The declines in single males in Port Phillip 2016 may be due to very low and low income singles being priced out of the private rental market and the closures of rooming houses.

Very low income singles have the least options available for affordable private rental or home purchase.

There is also a need for appropriate, adaptable housing for middle aged singles to enable them to age in place.

The Needs Analysis

Table 15 below reveals that in 2016:

- 553 single adults aged 25-59 with a very low income were living in private rental, and just over half (55%) were aged 40-59. There was a very small decline in numbers from 2011 (0.2%).
- 1,252 single adults aged 25-59 with a low income were living in private rental. This is 5.2% less than in 2011.

From 2011 to 2016 there was a decline in single adults, both men and women, aged 25 to 39 years, on very low incomes living in private rental in Port Phillip. This may be due to the increased cost of rental housing and the decline in rooming houses.

However, over this period there was an increase in women 25-59 living on low incomes in private rental in Port Phillip, a 21.9% increase for women 25-39 and 4.3% increase for women 40-59. The number of women with both very low and low income aged 40 to 59 living in private rental has increased from 2011, 16.9% for women on very low incomes, and is projected to continue to increase in 2026. This points to a high need for housing for very low and low income single women aged 25-49.

Table 15 also indicates that there were more men than women on very low incomes aged from 25-59 years living in private rental in 2016. At the same time there was an increase in men aged 40-59 on very low incomes, an increase of 8.3%.

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Table 15 Single Adults 25 to 59 years in Port Phillip living in Private Rental in 2016, change from 2011 to 2016 and projection for 2026⁶⁷

Income Level	25-39 years of age			40-59 years of age			25-59 years of age			
	Male	Female	Total	Male	Female	Total	Male	Female	Persons	
Very low	Persons	130	118	249	162	142	305	292	261	553
	% change 2011	-7.5%	-15.4%	-	8.3%	16.9%	12.1%	0.6%	-0.4%	0.2%
	As at 2026	136	121	257	203	183	392	342	304	646
Low	Persons	164	235	399	155	145	300	612	640	1,252
	% change 2011	3.6%	21.9%	13.7%	-	4.3%	-4.3%	-4.1%	14.5%	5.2%
	As at 2026	301	361	662	409	370	779	710	731	1,441
Moderate	Persons	422	464	886	162	142	305	584	607	1,191
	% change 2011	11.3%	1.2%	5.7%	12.8%	22.0%	17.3%	11.8%	8.0%	9.8%
	As at 2026	440	475	906	203	183	392	644	658	1,299
2016 Totals										
Very Low	130	118	249	162	142	305	292	261	553	
Very low & Low	294	353	647	317	287	605	904	901	1,805	
Very Low & Low & Moderate	716	818	1,534	480	430	909	1,489	1,508	2,996	

Source: ABS Census 2016, Victoria in the Future, DELWP, Planning and Environment Act 1987, Section 3Ab, Order in Council

Couples

Key Findings

In 2016, 230 very low income couples rented privately (83 aged 25-39; and 15-24). In 2016, 640 low income couples rented privately, most were 25-39 years, with 330 couples. Most couples aged 75 and over were living on very low and low incomes renting privately.

There has been a decline in couples 15-24 and 25-39 living on a low income in private rental from 2011 but an increase for couples aged 40+.

The data indicates that:

- *the older couples over 60 years are ageing in place*
- *the younger couples 15 to 24 cannot afford to live in private rental in Port Phillip.*

The growth in one and two bedroom social housing stock could provide housing for this group.

The Needs Analysis

⁶⁷ The table uses the 2016 census data and indexes the affordable housing in very low, low and moderate income ranges at June 2018 to 2016 dollar values

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Using 2016 census data and indexing the affordable housing for very low, low and moderate income earners to 2016 dollar values, Table 16 reveals that in Port Phillip:

- 204 couples with very low income were living in private rental; 83 couples were aged between 25 and 39, and 35 couples aged between 15 and 25 years. There had been a decline in the younger couples aged 15-24. At the same time very low income older couples aged over 60 years of age have increased (by 29.5%) from 2011. The highest growth was for couples aged between 40 and 59 years (71.2%).
- 405 low income couples were living in private rental in 2016. Whilst the highest number was for couples aged 25 to 39 this highest increase had been for couples aged 60-74 years, followed by young couples 15-24 (25.8%).

Table 16 highlights that 80.6% of the 34 couples aged 75 and over living in private rental lived on a very low or low incomes in 2016. At the same time Table 16 indicates that there were more very low and low income young couples aged 15 to 24 (125) living in private rental in Port Phillip in 2016.

Table 16 Couples 15-75 and over in Port Phillip living in Private Rental in 2016, percentage change from 2011 to 2016 and projection for 2026

Income Level		15-24	25-39	40-59	60-74	75 & above	Total	60 & above
Very low	Couples	35	83	38	21	26	204	47
	% change 2011	-4.5%	1.1%	71.2%	24.7%	33.7%	15.4%	29.5%
	As at 2026	40	96	44	24	30	236	54
Low	Couples	80	233	51	33	8	405	41
	% change 2011	25.8%	7.2%	27.7%	44.7%	-22.5%	14.2%	23.4%
	As at 2026	93	270	59	38	10	469	48
Moderate	Couples	131	597	110	35	13	887	49
	% change 2011	18.7%	22.8%	17.6%	20.8%	210.3%	23.5%	-169.9%
	As at 2026	152	691	127	41	15	1,027	56
% on very low income		7.0%	1.8%	3.7%	10.2%	54.4%	3.2%	18.4%
% on very low, low income		24.3%	7.1%	9.3%	27.9%	80.6%	10.0%	37.7%
% on very low, low and moderate income		49.6%	19.6%	19.5%	43.4%	100.0%	23.3%	53.9%

Source: ABS Census 2016, Victoria in the Future, DELWP, Planning and Environment Act 1987, Section 3Ab, Order in Council

2.5.2 Housing Cost

Key Finding

Single people are the most prevalent very low and low income household group in Port Phillip. Single people renting privately are confronted with the highest housing costs, with the majority on very low incomes living in private rental being at risk of homelessness due to housing costs. Additionally, just below half of very low income couple and single parent households pay more than 50% of their income in private rental in Port Phillip, also making them at risk of homelessness. Centrelink income and household size means singles are living in poverty.

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The Needs Analysis

This section sets out data on housing costs for Port Phillip's housing priority needs groups. Some of the data cannot be disaggregated beyond singles, couples and sole parents with dependent children. The data primarily draws on the 2016 ABS Census.

Table 17 below establishes the basis for assessment of affordability of rents using the affordable housing incomes for very low, low income and moderate ranges determined by the Victorian Government in June 2018. In this table the affordability income levels have been indexed to the 2016 dollar values. Table 17 shows there were 10,818 very low and low income households living in Port Phillip in 2016 of which 3,535 (32.6%) were living in private rental. Half of these very low and low income households were single person households (52% i.e. 1,869 single people).

Table 17 Households on Very Low and Low Incomes in Port Phillip in 2016 and Income Levels

Income Level	Lone person			Couple			Couple with children			One Parent		
	Income	All tenure	Private rental	Income	All tenure	Private rental	Income	All tenure	Private rental	Income	All tenure	Private rental
Very Low	\$25,220	3,531	874	\$37,820	690	193	\$52,940	405	159	\$52,940	1,060	329
Low	\$40,340	2,272	995	\$60,520	977	442	\$84,720	684	320	\$84,720	593	224
Moderate	\$60,510	2,902	1,653	\$90,770	1,463	858	\$127,080	1,180	525	\$127,080	538	226
Total		8,705	3,522		3,130	1,492		2,269	1,005		2,192	778

Source: ABS Census 2016 table builder and *Planning and Environment Act 198, Section 3Ab, Order in Council*

The projected population numbers of the very low and low income households in 2026 set out in Table 18 below indicates that single households will continue to be the major population group. Moreover, it is projected that just under half (49%) of the very low and low income singles will be living in private rental in Port Phillip in 2025.

Table 18 Projected Port Phillip Very Low and Low Income Households in 2026

Income Level	Lone person		Couple		Couple with children		One Parent	
	All tenure	Private rental	All tenure	Private rental	All tenure	Private rental	All tenure	Private rental
Very low	3,675	910	800	224	481	190	1,379	428
Low	2,364	1,036	1,131	511	813	380	771	291
Moderate	3,020	1,721	1,695	994	1,403	625	700	293
Total	9,060	3,666	3,626	1,729	2,698	1,195	2,851	1,012

Source: *Victoria In Future Household projections by household type DEWLP*

Table 19 below sets out the proportion of different household groups that spent between 30 and 50 % of their income on housing in 2016 in Port Phillip. The table reveals that a majority of very low income households pay 30 % of their income in rent. Virtually all very low income singles – 93.2%, couples 90.8% and one parent families 80.71% – pay 30% of their income in rent. More disturbing is the high proportion of households on very low incomes that pay 50% of their income in rent:

- 81.3% of singles

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- 43.8% of the one parent families
- 42% of couples.

Table 19 also highlights that almost a quarter (21.4%) of singles on low incomes spend 50 % of their income on rent.

Table 19 Rental Costs as a Proportion of Income in Port Phillip for Very Low and Low Income Households 2016⁶⁸

Household Type	% Income spent on Rent	Very Low	Low	Moderate	Very Low & ow Income	Very Low, Low & Moderate Income
Lone Person	30%	93.2%	69.2%	32.5%	76.2%	54.2%
	50%	81.3%	21.4%	7.7%	81.3%	38.7%
Couple	30%	90.8%	54.9%	21.6%	66.4%	43.7%
	50%	42.0%	13.6%	4.2%	42.0%	22.7%
Couple with children	30%	52.4%	39.9%	25.1%	46.0%	35.2%
	50%	29.3%	11.9%	0.7%	29.3%	20.4%
One parent	30%	80.7%	41.2%	33.1%	69.3%	59.1%
	50%	43.8%	6.1%	0.0%	43.8%	32.9%

Source: ABS Census 2016 table builder and Planning and Environment Act 1987, Section 3Ab, Order in Council

2.5.3 Housing Tenure and Housing Stock

The most common housing tenure in Port Phillip in 2016 was private rental, as indicated in Table 20 below, with just under half of all tenures at 49.3%. Table 20 indicates that half of all lone persons (48%) and couple households (52.3%) rent privately. Whereas, more than half of the couples with children own or are purchasing their home (65.9%). Similarly, just under half of sole parent families are home owners 45.8%.

Very few couple households with and without children live in social rental housing (public or community housing). More than half of the families of couples with children (65.9%) either own their homes (21.6%) or are purchasing their homes (44.3%).

Table 20 Housing Tenure by Household in Port Phillip 2016

Tenure Type	Couple		Lone Person		Couple with Children		One parent	
	Households (HH)	%	HH	%	HH	%	HH	%
Owner	2,778	22.5%	3,569	20.8%	1,574	21.6%	600	23.3%
Purchaser	2,836	23.0%	3,346	19.5%	3,222	44.3%	580	22.5%
Private renter	6,447	52.3%	8,313	48.5%	2,338	32.1%	926	35.9%
Government Renting	151	1.2%	1,325	7.7%	80	1.1%	386	15.0%
Community Housing	13	0.1%	282	1.6%	9	0.1%	42	1.6%
Other	109	0.9%	300	1.8%	53	0.7%	43	1.7%
Total	12,334	100%	17,135	100%	7,276	100%	2,577	100%

⁶⁸ The Commonwealth Rent Allowance (CRA) has been deducted from the rent in these calculations

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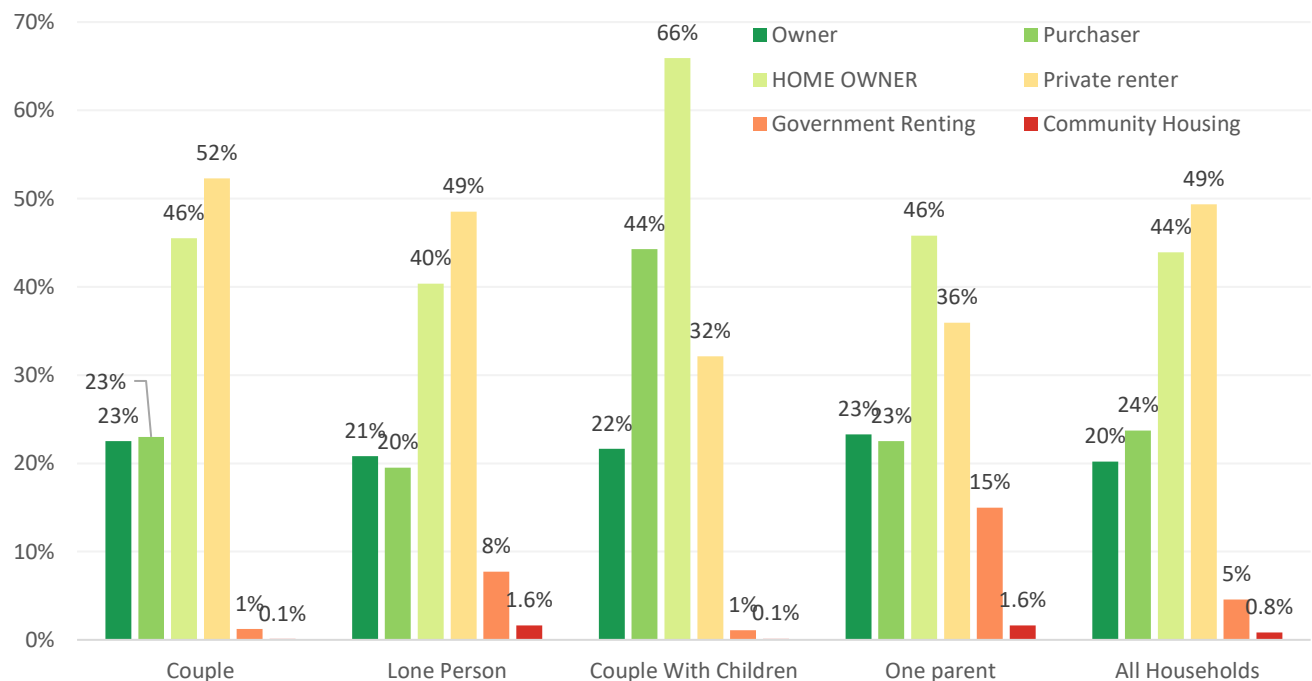
Tenure Type	Other Family		Group Household		All Households		Not Applicable
	HH	%	HH	%	HH	%	
Owner	127	19.3%	220	5.6%	8,868	20.2%	
Purchaser	85	12.9%	351	8.9%	10,420	23.7%	
Private renter	398	60.6%	3,256	82.3%	21,678	49.3%	
Government Renting	23	3.5%	40	1.0%	2,005	4.6%	
Community Housing	0	0.0%	19	0.5%	365	0.8%	
Other	24	3.7%	68	1.7%	597	1.4%	
Total	657	100%	3,954	100%	43,933	100%	

Source: ABS Census 2016

Figure 3 reveals that social housing residents are primarily one parent families (16.6%) followed by lone people (9.3%). Yet, at the same time just under half of sole parent families (45.8%) were purchasing or they owned. Moreover, Figure 3 reveals that social housing stock is minimal in Port Phillip in contrast to other tenures. In Port Phillip social housing (government and community housing) is 7.1 percent of total dwellings.

Housing Tenure

Figure 3 Housing Tenure in Port Phillip 2016



Source: ABS Census 2016

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Analysing Table 21 below highlights that small families with up to two dependent children are 69.7%⁶⁹ of all family households. As such, small families were the primary family type in Port Phillip in 2016. Yet, only 38.7% of these households are living in private rental dwellings⁷⁰. Also, there were few large families with three or more dependent children, 913 households, which is 9.1% of all families. Table 21 indicates that only 224 large families (three and more children) rent privately, which is 6.8% of all families that rented privately in 2016 in Port Phillip.

Table 21 Housing Tenure for families with children in Port Phillip 2016 by household size

Household Type	No of dependent children	Home ownership	Private Rent	Public Rent	Community Rent	other/ not stated	Total
Couple family (2 parent)	⁷¹ 0	636	99	24	0	16	775
	1	1,696	1,283	34	5	47	3,065
	2	1,877	740	10	0	40	2,667
	3	485	172	7	0	15	679
	4	80	33	9	0	0	122
	5	4	9	0	0	0	13
	6 and more	17	7	0	0	0	24
Total couple		4,795	2,343	84	5	118	7,345
One parent family	0	501	228	157	16	33	935
	1	431	484	145	25	42	1,127
	2	233	199	68	4	16	520
	3	25	17	11	0	3	56
	4 and more	3	3	13	0	0	19
Total one parent		1,193	931	394	45	94	2,657
Total		5,988	3,274	478	50	212	10,002

Source: ABS Census 2016

Housing Stock

Key Findings

There is a need for social housing stock that is:

- *small stock (one-two bedrooms) to cater for the current high number of very low income, singles, couples and small families such as sole parents living in private rental.*
- *larger three bedroom stock due to the lack of dwelling stock of three or more bedrooms both in the private rental and social housing markets. The lack of this stock may be the reason that there are low numbers of larger family households in Port Phillip.*

The Needs Analysis

The reason for the prevalence of small families with one child living in Port Phillip in 2016 may be due to the high proportion of appropriately sized dwelling stock in 2016. Table 22 below reveals

⁶⁹ 6,979 family households of the total 10,002 households

⁷⁰ 2,706 families of the total of 6,979 households with one and two dependent children

⁷¹ Non-dependent children

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that the highest proportion of housing stock was comprised of two bedroom dwellings, (51% of all dwelling stock). Additionally, in 2016 there was very little housing stock suitable for large families, only 479 dwellings with four or more bedrooms, which is only 2.19% of all dwelling stock, and 2,768 three bedroom stock, which is 12.6% of all dwelling stock in 2016. Table 22 highlights that the primary dwelling stock is flats/units (81.5%) with only 3.5% of dwelling stock being houses.

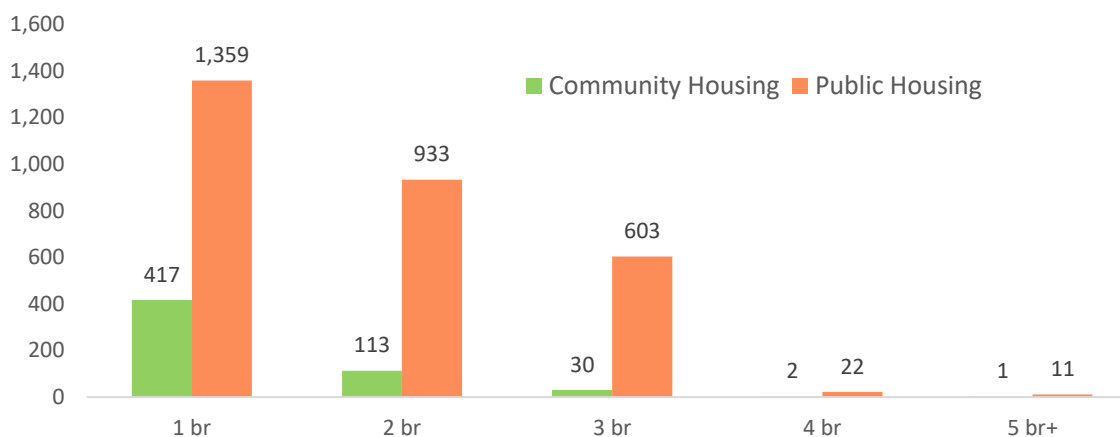
Table 22 Private Rental Dwelling Stock in Port Phillip by bedroom size 2016⁷²

	Number of bedrooms									
	Bedsit - 1		2 bedrooms		3 bedrooms		4 or more		Total	
	No	%	No	%	No	%	No	%	No	%
House	29	0.4%	265	2.4%	319	11.5%	146	30.5%	759	3.5%
Semi detached	201	2.7%	1,579	14.2%	1,230	44.4%	277	57.8%	3,287	15.1%
Flat/Unit	7,207	96.9%	9,306	83.5%	1,219	44.0%	56	11.7%	17,788	81.5%
Total	7,437	100%	11,150	100%	2,768	100%	479	100%	21,834	100%

Source: ABS Census 2016

The type of social housing stock in Port Phillip (public and community housing) reflects the general stock types in the municipality. Analysis of Figure 3 below reveals that 50.8% of the social housing stock in Port Phillip in September 2018 was one bedroom dwellings, and 29.9% being two bedroom dwellings. Thus 80.8% of Port Phillip's social housing dwellings are less than three bedrooms. Figure 4 highlights that there is minimal social housing stock for large families requiring three or more bedrooms as there are only three community housing dwellings and 33 public housing dwellings with more than three bedrooms.

Figure 4 Social Housing Stock by Size in Port Phillip 2018



Source: City of Port Phillip Rates Data September 2018

Limited data is available from DHHS regarding public housing waiting lists by area office. It is possible to access the number of applicants for priority housing and those who have registered an

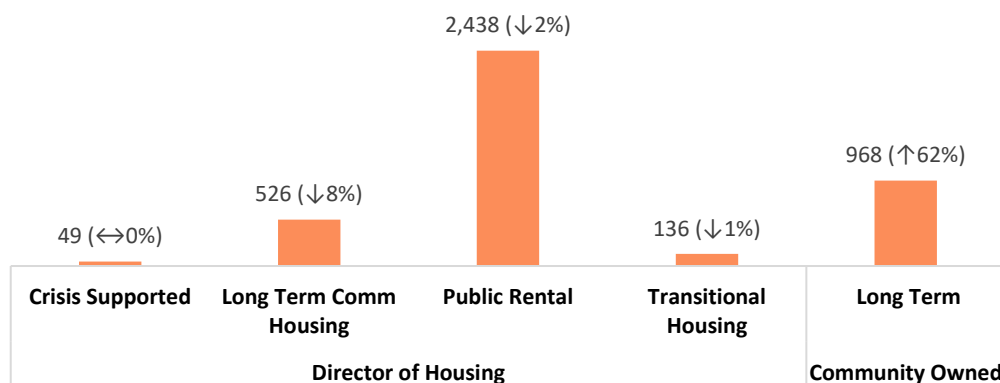
⁷² This data excludes rooming houses

interest for the South Melbourne office of public housing which encompasses Port Phillip. But there is no information on household type, gender or age range. It is simply a number. Hence, for example, in August 2018, 855 applications were made to the South Melbourne office, 611 priority and 244 registered interest.⁷³

Using information for DHHS it is possible to ascertain the change in social housing stock levels. Figure 5 below shows that since 2012 there has been a reduction in social housing stock managed by the Director of Housing particularly long term community housing, with a decline of 8%, and public rental stock, with a decline of 2%. During the same period 2012 to 2017 Figure 5 reveals that there has been a substantial increase (62%) in community owned long term housing although the number of properties is not high at 968 dwellings.

Of the 4,117 social housing dwellings in Port Phillip in 2017: 49 were supported crisis units; 1,494 long term community housing units; 2,438 public housing units; and 136 transitional housing units. There was no indigenous community housing units.

Figure 5 Social Housing Dwellings changes from 2012 to 2017 in Port Phillip



Source: DHHS 2018 (response to a Research Application from the City of Port Phillip to Asset Planning Services, Property & Asset Services Branch, DHHS)

Port Phillip has very minimal amounts of public housing stock of four or more bedrooms and a small proportion of three bedroom housing stock. Given the majority of the public housing stock is one and two bedroom it is not surprising that the majority of applications for public housing were for one bedroom 82.9 %, 11.6 % for two bedroom and only 5.2 % for three and more bedrooms. It is reasonable to propose that people will not apply for a housing size, i.e. four bedroom, in an area where there is very little stock of this size available.⁷⁴

⁷³ Victorian Housing Register, *Applications by Application Type South Melbourne* 8 August 2018 viewed 9 September 2018

⁷⁴ *ibid*

Affordable Housing

Key Findings

Very low income singles and families have the least options available for affordable private rental or home purchase. At the same time the lack of dwelling stock of three and more bedrooms limits the ability of low income families to rent or purchase housing in Port Phillip, even when they have sufficient income to do so within the 30% affordability benchmark.

The Needs Analysis

The determination of affordable housing costs and potential stock for both home purchase and private rental in Port Phillip has been carried out using two different incomes:

1. Centrelink incomes using Newstart Allowance
2. Victorian Government Affordable Housing cost benchmarks established in June 2018.

The methodology used to develop Tables 23 and 24 below are similar for both home purchase and private rental calculations. The methodology is set out below.

Home purchase calculations use Reserve Bank Australia interest rate, three year fixed rates for an owner-occupier at 4.1%, deposit of 10%, monthly payments and a 30 year loan term. We have assumed that people over 45 cannot obtain a mortgage due to the length of the loan term. Affordability is set at 30% of taxed income, and we added the 10% deposit. Port Phillip municipal rates data was used for all properties sold from 2016 to September 2018 as this information provided property sizes i.e. bedroom numbers.

Private rental calculations are based on all new lettings in Port Phillip in 2017 using DHHS data. Affordability is set at 30% of gross household income.

Please note this analysis does not take account of the quality, type or location of the properties.

Table 23 below calculates the affordable housing costs and stock available using current Centrelink Newstart incomes for each household type. As can be seen there is minimal affordable housing stock for purchase. Couples with no children on Newstart Allowance have the most potential with an estimated 15 properties they could afford to purchase.

There is a very different scenario for rental properties. Single people cannot afford any properties. As noted in Table 18 above, 93% of single people on very low incomes pay more than 50% of their income in rent. It is not surprising that couples with three or more children can afford more rental properties as their incomes are higher due to the child payments and the calculations are based on three or more bedrooms. However there may only be three bedroom properties for a five or six person family, leading to overcrowding. Table 23 reveals that the larger the family the higher the income and the more rent they can afford to pay. But at the same time there are a small amount of private rental dwellings with three or more bedrooms available at affordable rent. Moreover, there is never any guarantee that lower income households are the ones who rent the affordable properties.

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Table 23 Affordable Housing Port Phillip for Households in receipt of a Newstart Allowance 2018⁷⁵

Household Type	Housing Size	Home Purchase			Private Rent		
		Affordable purchase price	No	%	Affordable rent	No	%
Lone Person	All properties	\$80,000	0	0.0%	\$94	3	0.01%
Couple	All properties	\$143,000	15	0.2%	\$178	10	0.1%
Sole parent with 1 child	More than 1 bedroom	\$168,000	2	0.1%	\$235	10	0.1%
Sole parent with 2 children	More than 2 bedrooms	\$199,000	1	0.1%	\$277	15	0.8%
Sole parent with 3 children		\$231,000	1	0.1%	\$319	20	1.6%
Couple with 1 child	More than 1 bedroom	\$200,000	3	0.1%	\$263	13	0.2%
Couple with 2 children	More than 2 bedrooms	\$232,000	1	0.1%	\$310	19	1.5%
Couple with 3 children	More than 2 bedrooms	\$263,000	1	0.1%	\$351	26	2.1%
Couple with 4 children	More than 2 bedrooms	\$295,000	1	0.1%	\$383	29	2.3%

Source: Port Phillip rated Data 2018, DHHS rental letting data 2017 Planning & Environment Act 1987, Section 3Ab, Order in Council

The analysis in Tables 24 and 25 below uses the highest income for each of the affordable housing income levels established by the Victorian Government in June 2018.

Table 24 Affordable Housing for Singles and Couples in Port Phillip by Victorian Government Affordable Housing Income levels 2018

Household Type and Income Level		Housing Size	Purchase			Private Rent		
Household Type and Income Level			Affordable purchase price	No	%	Affordable rent	No	%
Single	Very low \$25,220	1 bedroom and bedsits	\$145,000	17	0.2%	\$209	38	0.4%
	Low \$40,340		\$232,000	93	1.3%	\$299	604	7.0%
	Moderate \$60,510		\$348,000	490	6.7%	\$348	1,362	15.7%
Couple	Very low \$37,820	1 bedroom and bedsits	\$218,000	76	1.0%	\$280	433	5.0%
	Low \$60,520		\$348,000	490	6.7%	\$411	3,231	37.2%
	Moderate \$90,770		\$522,000	2,126	29.0%	\$522	2,325	26.8%

Source: Port Phillip Rated Data 2018, DHHS rental letting data 2017; Planning and Environment Act 1987, Section 3Ab, Order in Council

⁷⁵ The purchase data was taken from Port Phillip rates data supplied for properties sold from 2016-18. The properties analyses were: 7,333 – 1 bedroom properties, 5,176 – 2 bedroom; 1,775 – 3+ bedrooms. For rental data properties above \$59 were used. 1 bedroom – 8,678 properties, 2 bedroom – 5,520 properties, 3+ bedrooms – 1,239 properties.

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Table 25 Affordable Housing for Families in Port Phillip by Victorian Government Affordable Housing Income Levels 2018

Household Type and Income Level Highest annual income in each level) ⁷⁶	Purchase					Private Rent		
	Affordable purchase price	No	%	No	%	Affordable rent	No	%
Families		2 + br		3+ br			2 + bedrooms	
Very low \$52,940	\$305,000	22	0.4%	2	0.2%	\$383	29	0.5%
Low \$84,720	\$488,000	280	5.1%	7	0.6%	\$487	73	1.3%
Moderate \$127,080	\$731,000	2,034	1.7%	92	7.4%	\$731	429	7.8%

Source: Port Phillip rated Data 2018, DHHS rental letting data 2017; Planning and Environment Act 1987, Section 3Ab, Order in Council

Moderate income families and most moderate income couples have an income that is above the ATO's proposed low income earner salary of \$66,667. Hence, it is not surprising that there are more affordable dwellings to purchase and rent for these moderate income households.

Tables 24 and 25 reveal that the very low and low income singles and families are the households with the lowest numbers of affordable dwellings properties either to purchase or for private rental.

Moreover, it is likely that the one bedroom properties available for very low and low income singles are of poor quality and have attributes which are unacceptable for contemporary living standards.

This implies that very low and low incomes for singles and families are too low to let them afford suitable dwellings in Port Phillip. Tables 24 and 25 also highlight that the lack of suitable stock makes it difficult to access affordable housing.

In relation to purchasing dwellings low income families with children with capacity to pay to purchase a home have limited property choices. Table 25 indicates that low income families only have the possibility of purchasing: 7 three bedroom affordable dwellings; and 280 two bedroom affordable dwellings. Whereas, Table 24 indicates that couples on low incomes with less funds to pay for home purchase (\$120,000 less per annum than families) have more choice with 490 one bedroom affordable properties they could purchase.

In relation to private rental Table 25 reveals that for low income families seeking 2 bedroom dwellings to rent with \$487 (\$76 more a week than low income couples) there are only 73 affordable rental dwellings. But, at the same time low income couples seeking one bedroom rental stock with the financial capacity to spend \$411 a week and have the possibility of renting 3,231 affordable dwellings (Table 25).

⁷⁶ It is assumed that all moderate income households and low income families are not eligible for CRA

2.5.4 Low Income Wage Earners / Key Workers and Affordable Housing

Key Findings

Family households of cleaners (domestic and commercial), café employees (worker or manager) child care workers, bar workers or baristas have the least capacity to find affordable housing in Port Phillip both because of the cost and the lack of appropriate stock. Even when the low income worker is not the sole income earner in the household the 2016 Census indicates that the household income may be at the low income level but only by a small margin of around \$700 per annum above the very low income limit.

For the lowest earning key worker occupations in Port Phillip (cleaners – domestic and commercial, café employee – worker or manager, child care worker, bar worker or barista) more than half live outside Port Phillip with only 13.8 % of cleaners residing in the municipality in 2016.

The Needs Analysis

There is a difference between low income workers and key workers as:

- Low income workers are functional workers providing services to the community, such as cleaning, child care and hospitality services including bar staff and baristas.
- Key workers provide essential human services to the community such as nursing, policing, ambulance care, and teaching.

However, the Port Phillip affordable housing strategy *In Our Backyard* identifies “low income wage earners (key workers)” as one of the four priority affordable housing needs groups, using the combined term “low income workers/keyworker”.⁷⁷

Figure 6 sets out the eleven key worker occupations undertaken in Port Phillip drawn from the ABS 2016 Census of Population and Housing. The weekly incomes for these key workers are derived from median individual incomes from the Census 2016 indexed to 2018. The incomes are compared to the average income for all workers in Port Phillip at 2016, again indexed to 2018, which is \$1,422 per week in 2018.

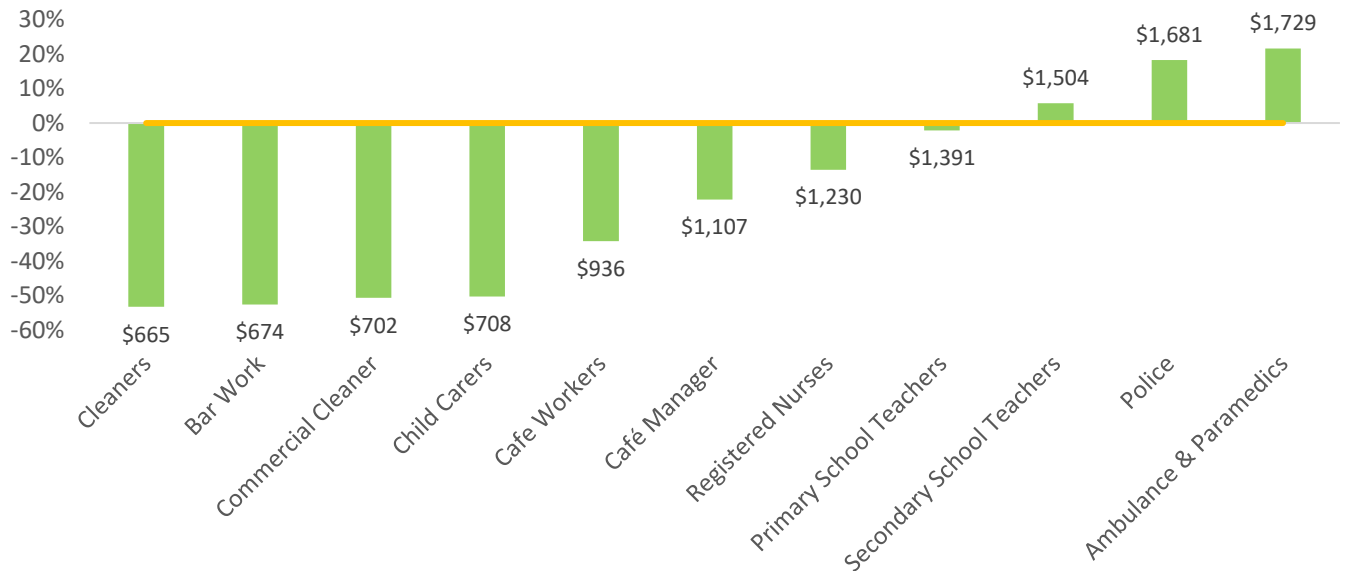
It is worthwhile reiterating that in 2018 the ATO has determined that low income wage earners are people who earn \$66,667 taxable income per annum or \$1,282 per week which is \$140 per week less than the average weekly earnings in Port Phillip. As such Port Phillip’s median income for low income workers is higher than the nationally defined amount of weekly earnings for low income workers. This is graphically demonstrated in Figure 6 below which indicates that secondary school teachers, police, ambulance and paramedics earn more than the average weekly earnings in Port Phillip.

Figure 6 indicates that cleaners, bar workers, commercial cleaners and child care workers’ earnings are at least 50% less than the Port Phillip average and these incomes fall well within the ATO low income levels. Figure 6 also reveals that people who work in cafes earn less than the average weekly income in Port Phillip (café workers 34% less and café managers 22% less). Registered nurses, an occupation that requires tertiary education, are classified as key workers and earn 13.5% less than the average for Port Phillip.

⁷⁷ City of Port Phillip, *In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025* pg16

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Figure 6 Low Income / Key Workers Weekly Income as a Proportion of the Average Weekly Income in Port Phillip 2018



Source: ABS 2016 Census of Population and Housing

Table 26 below compares the annual incomes of key workers to the affordable housing income ranges determined for very low, low and moderate income singles, couples and families with dependent children set by the Victorian Government. Table 26 reveals that when very low income workers, cleaners, bar workers, commercial cleaners and child care workers, are the sole wage earner in a household

- all couple and family households are in the very low income range
- most singles are in the low income range (only café managers fall within moderate range).

Additionally, if the only wage earner in a family works in a café, as either a manager or worker, this means that

- families would be living on a very low income
- couples would be living on a low income.

The first three rows of Table 26 below sets out the affordable housing income levels by household types set by the Victorian Government in June 2018. The following rows display the median incomes for different low income workers in Port Phillip and then shows which Victorian affordable housing levels applies.

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Table 26 Port Phillip Low Income/Key Workers and placement within Victorian Affordable Housing Income Levels 2018

Household	Very low income range (annual)	Low income range (annual)	Moderate income range (annual)
Single adult	Up to \$25,220	\$25,221 to \$40,340	\$40,341 to \$60,510
Couple, no dependants	Up to \$37,820	\$37,821 to \$60,520	\$60,521 to \$90,770
Family (with one or two parents) and dependent children	Up to \$52,940	\$52,941 to \$84,720	\$84,721 to \$127,080
Domestic Cleaner \$34,580	Couple & Family	Single	
Bar Attendants and Baristas \$35,048	Couple & Family	Single	
Commercial Cleaner \$36,504	Couple & Family	Single	
Child Care \$36,816	Couple & Family	Single	
Café Worker \$48,672	Family	Couple	
Café Manager \$52,884	Family	Couple	Single
Registered Nurse \$63,960		Family	Couple
Primary School Teachers \$72,332		Family	Couple
Secondary School Teachers \$78,208		Family	Couple
Police \$87,412			Couple & Family
Ambulance and Paramedics \$89,908			Couple & Family

Source: ABS 2016 Census of Population and Housing

Taking account of the information provided in Tables 24 and 25 we can ascertain the affordable purchase and rent costs and potential stock available in Port Phillip for the following low income households:

- very low income couples
 - affordable purchase price \$218,000, potential stock 76 dwellings
 - affordable rental \$280 per week potential stock 433 dwellings
- very low income families
 - affordable purchase price \$305,000, potential stock 22 two bedroom dwellings and only two three bedroom dwellings
 - affordable rental \$383 per week, potential stock 29 dwellings (assumes two or more bedrooms)
- low income singles
 - affordable purchase price \$232,000, potential stock 93 dwellings
 - affordable rental \$299 per week, potential stock 604 dwellings
- low income couples
 - affordable purchase price \$348,000, potential stock 490 dwellings
 - affordable rental \$411 per week, potential stock 3,231 dwellings
- low income families
 - affordable purchase price \$488,000, potential stock 280 two bedroom dwellings and only seven three bedroom dwellings
 - affordable rental \$487 per week, potential stock 73 dwellings
- moderate income singles
 - affordable purchase price \$348,000, potential stock 490 dwellings
 - affordable rental \$348 per week, potential stock 1,362 dwellings
- moderate income couples

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- affordable purchase price \$522,000, potential stock 2,126 dwellings
- affordable rental \$522 per week, potential stock 2,325 dwellings
- moderate income families
 - affordable purchase price \$731,000, potential stock 2,034 two bedroom dwellings and 92 three bedroom dwellings
 - affordable rental \$731 per week, potential stock 429 dwellings

This indicates that families whose sole income earner works as a domestic cleaner, bar worker, commercial cleaner, child care worker or a café worker, have the least access to affordable housing in Port Phillip. While they may not face the risk of homelessness they may have their limited income reduced by high travel costs from the areas they can afford to live.

The problem in the longer term may be more one for industry in Port Phillip; low income workers (cleaners, etc.) may be hard to find as they search for work closer to where they may be forced to live. Additionally, Table 26 reveals that key workers who are secondary school teachers, police, ambulance officers and paramedics have both enough income and potential housing stock to not be in housing stress or at risk of homelessness.

Recognising that people often live in households where there is more than one income earner, Table 27 below sets out incomes for low income key worker households by taking into account the household incomes of these occupations set out in the Census to 2016. Again the 2016 incomes have been indexed to 2018 dollars. Table 27 links the annual income to the Victorian Government's affordable housing income levels established in June 2018.

Table 27 Low Income / Key Worker Household Incomes Port Phillip compared to Victorian Affordable Housing Income Levels 2018

Occupation	Weekly Income Individual	Weekly Income Household	Annual Income Household	Affordable Income Low Income	Moderate Income
Domestic Cleaners	\$665	\$1,032	\$53,664	Couple; Family (only \$724 above very low income)	
Bar Attendants and Baristas	\$674	\$1,649	\$85,748		Couple; Family (only \$1,028 above low income level)
Commercial Cleaners	\$702	\$1,033	\$53,716	Couple; Family (only \$776 above very low income)	
Child Carers	\$708	\$1,703	\$88,556		Couple; Family
Cafe Workers	\$936	\$1,645	\$85,540		Couple; Family
Cafe and Restaurant Managers	\$1,107	\$2,110	\$109,200		Family
Registered Nurses	\$1,230	\$2,417	\$125,684		Family
Primary School Teachers	\$1,391	\$2,587	\$134,006		
All workers Port Phillip average income	\$1,422	\$2,521	\$131,092	<i>Moderate Income family and above moderate income couples</i>	

Source: ABS 2016 Census of Population and Housing and Planning and Environment Act 1987, Section 3Ab, Order in Council

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The analysis in Table 27 above indicates that the low income key worker households with two incomes facing housing stress and most likely priced out of Port Phillip housing market are:

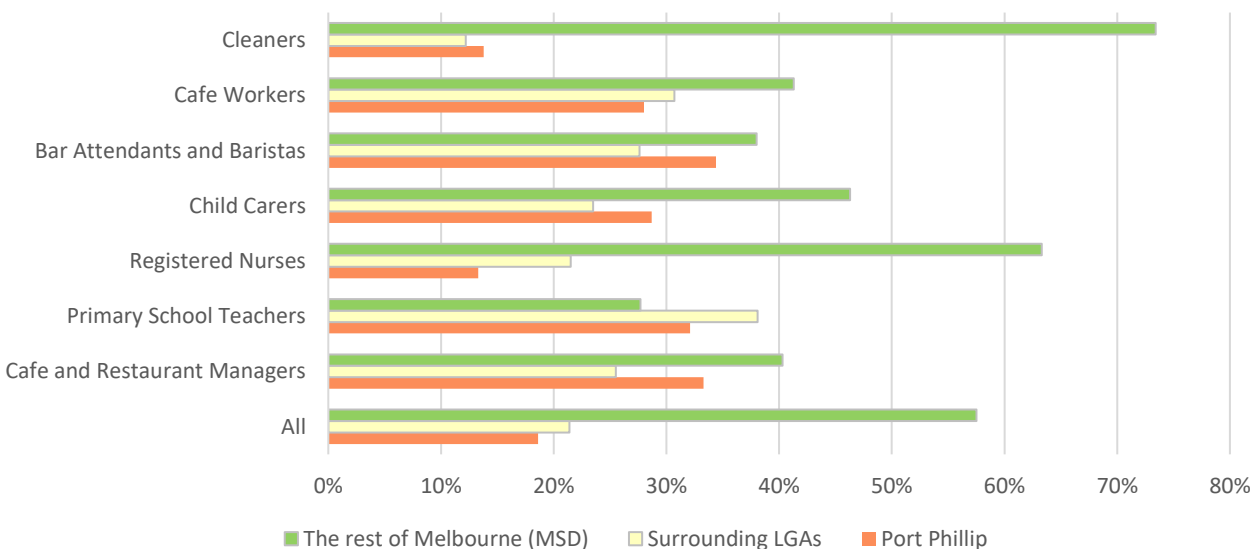
- Domestic cleaners particularly families living on low incomes as they are just \$724 above very low income level.
- Commercial cleaners both couples and families are in the low income ranges. Families are only \$776 above the very low income level.

To assist with ascertaining the need to develop affordable housing stock for low income key workers, we have analysed the 2016 Census data on journey to work.

Figure 7 below starkly indicates that the majority of low income wage earners/key workers working in Port Phillip live outside the municipality of Port Phillip and the surrounding Local Government Areas (LGAs) of Bayside, Stonnington and Glen Eira. In fact, Table 28 below highlights that in 2016, 73% of the lowest income earners (that is cleaners both domestic and commercial) lived in the wider Melbourne area. Also 63.3% of registered nurses lived in the wider Melbourne area.

In total 57.5% of all the lower income earners working in Port Phillip lived outside Port Phillip and the surrounding LGAs. Living further away from work incurs extra costs in travel to work, both the financial costs of fuel or transport fares and the time cost to go to and from work. For households with very low incomes and low incomes this creates an extra financial burden on already limited income.

Figure 7 The Residential Location of Port Phillip Low Income Workers 2016



Source: ABS 2016 Census of Population and Housing and Planning

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Table 28 The Residential Location of Port Phillip Low Income Workers 2016

Where they live	All workers	Cafe and Restaurant Managers	Primary School Teachers	Registered Nurses	Child Carers	Bar Attendants and Baristas	Cafe Workers	Cleaners
Port Phillip(PP)	18.6%	33.3%	32.1%	13.3%	28.7%	34.4%	28.0%	13.8%
Surrounding LGA ⁷⁸	21.4%	25.5%	38.1%	21.5%	23.5%	27.6%	30.7%	12.2%
Other Melbourne	57.5%	40.3%	27.7%	63.3%	46.3%	38.0%	41.3%	73.4%
Melbourne	97.5%	99.1%	97.9%	98.1%	98.5%	100.0%	100.0%	99.4%
Geelong	0.8%	0.0%	2.1%	0.0%	0.6%	0.0%	0.0%	0.6%
Other Victoria	1.7%	0.9%	0.0%	1.9%	1.0%	0.0%	0.0%	0.0%
Regional	2.5%	0.9%	2.1%	1.9%	1.5%	0.0%	0.0%	0.6%
Total	100%	100%	100%	100%	100%	100%	100%	100%
Employees	75,218	568	386	376	722	613	150	770
PP & surrounding LGAs	40.0%	58.8%	70.2%	34.8%	52.2%	62.0%	58.7%	26.0%

Source: ABS 2016 Census of Population and Housing and Planning

2.5.5 Homelessness

Key Findings

More males are sleeping rough in improvised dwellings, males experiencing homelessness have an older age profile and most males are living in private rooming houses. A number of families with young dependent children are experiencing homelessness .

To break a cycle of homelessness long term affordable housing for families is essential. Also, as private rooming houses are on the decline in Port Phillip⁷⁹ there appears to be the need to continue to work with community housing organisations that provide accommodation for low income single people

The Needs Analysis

As referred to earlier in the report, a February 2018 Street Count of homeless people in Port Phillip,⁸⁰ identified 91 people sleeping rough, 67% men, 20% women, the average age was 38.6 years, the majority were Australian born and 33% were Indigenous. More, than half (63%) were in the St Kilda/St Kilda West area.

A later June StreetCount⁸¹ found 65 sleeping rough in Port Phillip, 71% were men, 29% were women and just over half (57%) were 41-60 years of age and 21% were 21-40 years of age. Again, the majority were Australian born and 16% were Indigenous. It must be recognised that

⁷⁸ Surrounding LGAs refers to the local government areas of Bayside, Glen Eira, Melbourne and Stonnington

⁷⁹ Loss of the Gatwick and proposed loss of Oslo Hotel *The Block 2018: St Kilda's Oslo Hotel set to be transformed for the 2019 season* www.domain.com.au viewed June 2018

⁸⁰ Launch Housing *City of Port Phillip Street Count 2018 Final Report*, May 2018

⁸¹ *StreetCount 2018: A snapshot of people living rough, Inner Melbourne Action Plan (IMAP) Cities of Melbourne, Maribyrnong, Yarra, Stonnington and Port Phillip.*

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these street counts are an understatement of the actual number as many people do not participate and choose not to identify as homeless.

These figures are similar to the 2016 Census that proposed 72 people were sleeping rough in Port Phillip. Table 29 shows that this is almost half the number (47.1% less) that were sleeping rough in 2011. The only area of growth from 2011 to 2016 indicated in Table 29 was an increase of 36.7% for people staying temporarily with others, often called “couch surfing”. Table 29 below shows that there has been a decline (27.2%) in the number of people who identify as homeless from 2011 to 2016.

Table 29 Homeless people in Port Phillip 2011 and 2016

Form of Homelessness	2011	2016	% change 2011 to 2016
Persons who are in improvised dwellings, tents or sleeping out	136	72	-47.1%
Persons in supported accommodation for the homeless	444	253	-43.0%
Persons staying temporarily with other households	49	67	36.7%
Persons staying in boarding/rooming houses	892	730	-18.2%
Persons in other temporary lodging	8	8	0.0%
Persons living in 'severely' crowded dwellings	33	6	-81.8%
Persons living in other crowded dwellings	118	86	-27.1%
Total	1,680	1,222	-27.2%

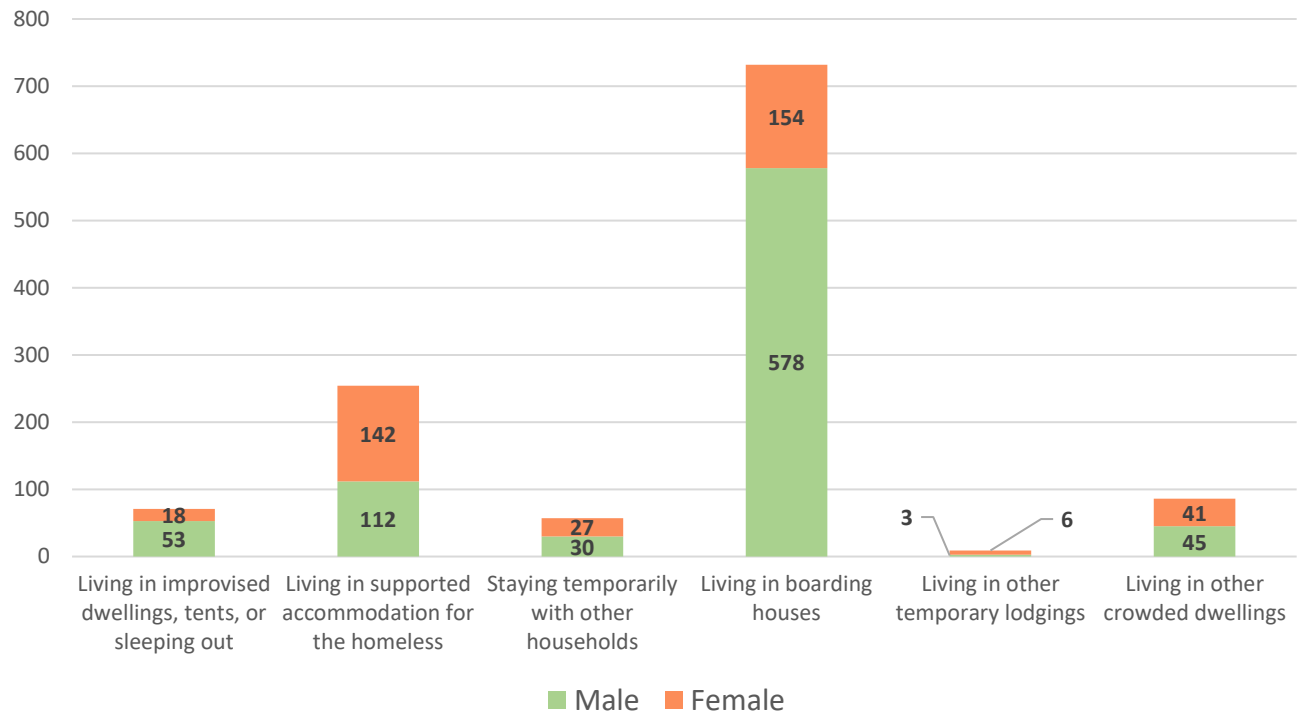
Source: ABS 2016 Census of Population and Housing and Planning

Figure 8 below shows the number of males and females living in the six forms of housing that are considered to be form of homelessness in Port Phillip. More than half of the homeless people were men (67.1%), 821 males. Only 388 females identified themselves as living in housing situations that are classified as homelessness in Port Phillip for the 2016 census. This may be an understatement of the actual number as many people do not choose to identify as homeless or living in a vulnerable or precarious housing situation (also mentioned by community housing providers). Many women may not want to be found as they are fearful for their safety. Also, women manage their homelessness in different ways, for example some women exchange sex for access to housing⁸².

Most of the males (70.4%) were living in private boarding/rooming houses. The highest number of women were also living in private rooming houses, 39.6%. At the same time 36.5 % of the women were living in supported accommodation for people who are homeless. But only 13.6 % of males were living in similar accommodation. However, 53 men were living in improvised dwellings such as tents or sleeping rough.

⁸² Sharam, A. 2008, *Going it Alone: Single, Low Needs Women and Hidden Homelessness*, Women's Information, Support and Housing in the North, Melbourne

Figure 8 Homeless People in Port Phillip 2016



Source: ABS 2016 Census of Population and Housing and Planning

Table 30 sets out the age profile of the people identified as homeless in Port Phillip in 2016. In 2016:

- 49 children up to 9 years of age were experiencing homelessness
- 36 young people from the ages of 10 to 19 of were experiencing some form of homelessness. Just over half (20) were female.
- Women experiencing homelessness appear to be older as 93 % of women experiencing homelessness were aged between 30 to 59 years of age and of these 70% were aged between 40 and 59 years of age. Only 23% of homeless women were aged between 30 and 39 years
- Male homelessness is more dispersed across age ranges with 80 % of males aged between 30 and 69 years; 42% aged between 50 and 69 years and 38% aged between 30 and 49 years
- More older males aged between 70 and 80 and were homeless than women: 53 males compared with 13 females.

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Table 30 Age Profile of 5 Categories of Homeless People in Port Phillip 2016

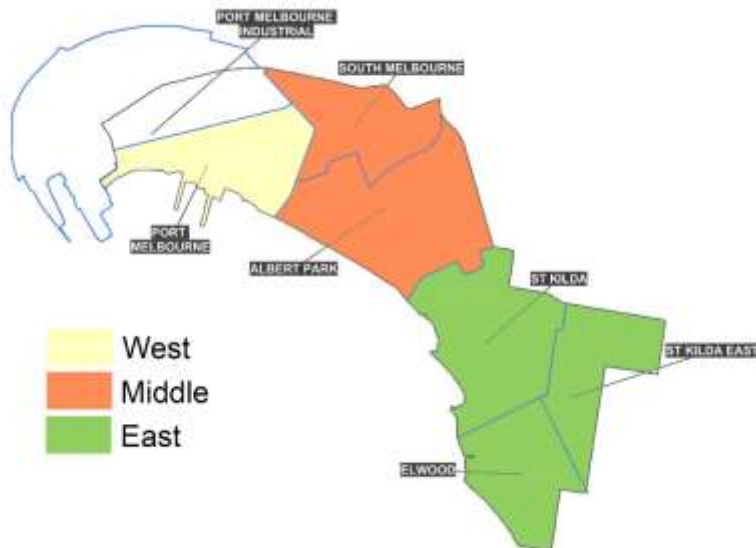
Age Range	Improvised dwellings		Crisis Supported accommodation		Staying temporarily with other households		Living in boarding/rooming houses		Total	
	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male
0-9 years	0	0	20	25	0	4	0	0	20	29
10-19 years	0	0	17	16	3	0	0	0	20	16
20-29 years	4	4	30	21	16	8	19	23	69	56
30-39 years	4	14	32	24	6	8	38	72	80	118
40-49 years	8	14	26	15	0	8	36	139	70	176
50-59 years	3	15	13	12	4	0	39	189	59	216
60-69 years	0	8	3	3	0	0	5	100	8	111
70-79 years	0	0	5	0	0	0	5	38	10	38
80 and above years	0	0	3	0	0	0	0	14	3	14
Total⁸³	18	53	142	112	27	30	154	578	341	773

Source: ABS 2016 Census of Population and Housing and Planning

2.5.6 Local Area Analysis

For the analysis of need Port Phillip has been divided into three areas as is shown in Figure 9 below.

Figure 9 Small Areas of Port Phillip



⁸³ There is a variance in the totals due to the confidentiality of cells in small areas

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Table 31 Suburbs in the Three Small Areas of Port Phillip

Area	Census SA2	Suburb
West	Port Melbourne	Port Melbourne
The SA2 of Port Melbourne Industrial was not included in any of the three areas as there was no dwellings in Port Melbourne Industrial area at the census of 2016		
Middle	Middle Park South Melbourne	Albert Park Melbourne* Middle Park Southbank* South Melbourne
* Only small components of the suburbs of Melbourne and Southbank fall in to the LGA of Port Phillip.		
East	Elwood St Kilda St Kilda East	Balaclava Elwood Ripponlea St Kilda St Kilda East St Kilda West

Source: ABS 2016 Census of Population and Housing and Planning

Key Findings

The key findings of the analysis of the local areas by income ranges (established by the Victorian Government for Affordable Housing), housing tenure and housing stock is set out in table 32 below.

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Table 32 Summary of the Key Features of the Local Area Analysis of Port Phillip

	EAST	MIDDLE	WEST
Centrelink Income Recipients	<ul style="list-style-type: none"> • Highest numbers of recipients • Small increase in numbers of Pensioner Concession Card, Seniors Health Card • Highest Decline in Youth Allowance and Austudy • 50% decline in Parenting Payment Single 	<ul style="list-style-type: none"> • Second highest number of recipients • Small Increase in numbers of Parenting Payment Single from 2016 to 2018 • Highest decline in Aged Pension 2016-2018 	<ul style="list-style-type: none"> • Smallest population of Centrelink recipients • Small increase in numbers of Pensioner Concession Card, Seniors Health Card, and Youth Allowance from 2016 to 2018
Low Income Earners	<ul style="list-style-type: none"> • Highest number • Highest decline Health Care Card, Family Tax Benefits from 2016-2018 	<ul style="list-style-type: none"> • Second highest • Only area to experience an increase in Low Income card recipients (15.5%) 2016-2018 	<ul style="list-style-type: none"> • Highest decline in in Low Income Card 2016-2018 • Lowest decline in Health Care Card 2016-2018, • Family Tax Benefits 2016-2018
Private Rental	<ul style="list-style-type: none"> • Highest numbers of private renters 2016 • Highest stock 2018 • Highest number of tenants • Highest proportion of CRA recipients 2018 • Highest number of households with dependent children 2016 	<ul style="list-style-type: none"> • Second highest stock • Second highest number of households with dependent children 2016 	<ul style="list-style-type: none"> • Lowest stock 2018 • Least households with dependent children 2016
Ownership	Smallest Number in 2016	Second highest in 2016	Highest number in 2016
Housing Stock	<ul style="list-style-type: none"> • Highest stock mostly 2 bedroom flats 2018 • Highest number of 3 bedroom houses 2018 	<ul style="list-style-type: none"> • Second highest stock and stock of flats • Second highest number of 1 bedroom flats. 	<ul style="list-style-type: none"> • Least residential dwelling stock • Least numbers of 3 bedroom stock
Housing Stock 3 and more bedrooms	<ul style="list-style-type: none"> • Limited stock: <ul style="list-style-type: none"> ○ 3 – 3 bedrooms ○ 5 – 4 bedrooms ○ 5-5+ bedrooms 	<ul style="list-style-type: none"> • Highest numbers <ul style="list-style-type: none"> ○ 326 – 3 bedrooms ○ 11 – 4 bedrooms ○ 1 – 5 bedrooms 	<ul style="list-style-type: none"> • No stock of 3 or more bedrooms
Social Housing	<ul style="list-style-type: none"> • Highest stock numbers in 2018 • Least tenants in 2016 • Least number of households with dependent children 2016 	<ul style="list-style-type: none"> • Second highest stock level • Highest number of dependent children 2016 	<ul style="list-style-type: none"> • Least stock and smallest population • Second highest proportion of social housing with dependent children in 2016
Public Housing	Second highest numbers of stock mainly 1 & 2 bedroom 2018	<ul style="list-style-type: none"> • Highest stock mostly 1 & 2 bedrooms 2018 • Highest number of 3 & 4 bedroom stock 	Least stock evenly split between 1, 2, & 3 bedroom stock 2018
Community Housing	Highest stock; 90% 1 & 2 bedrooms 2018	Least stock; all 1 bedroom stock 2018	Second least stock; 94% are 1 bedroom and 6% are 4-bedroom dwellings 2018

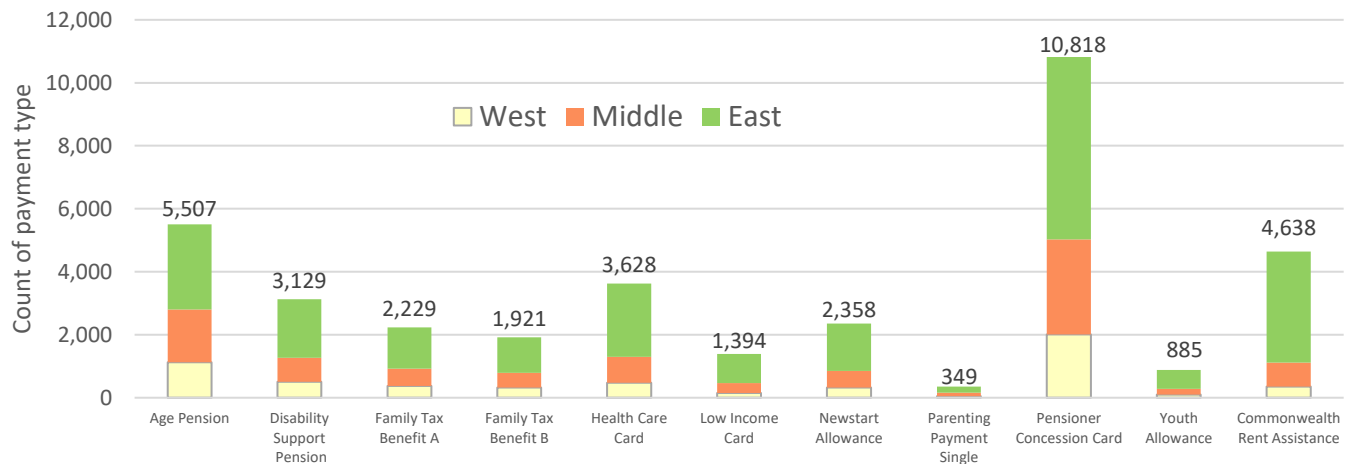
Source: Key findings of local area analysis

The Needs Analysis

Low Income Population

Figure 10 below shows the location of Centrelink income recipients across the three areas of Port Phillip. Figure 10 indicates that the majority (75.9%) of low income households living in private rental are in the East (Elwood, St Kilda and St Kilda East). Whilst in June 2018 there were 4,642 households in receipt of CRA, this is a decline of 9.4% from June 2016. Figure 10 also shows the East is the location of most Centrelink households. This may be due to the fact that the East has a high numbers of flats and rooming house dwellings suitable for low income households.

Figure 10 Centrelink Income Recipients by Port Phillip Small Areas June 2018



Source: Centrelink

Table 33 below shows the number of recipients for different Centrelink payment in June 2016 and 2018 and the percentage change for the three areas within Port Phillip and Port Phillip as a whole.

Table 33 reveals that there has been a decline in the number of people in receipt of most Centrelink payments from June 2016 to June 2019 including Age Pensions. The Centrelink payments with the greatest declines in Port Phillip are for payments for people in the workforce, studying or training and those receiving income payments for being carers of dependent children:

- Parenting Payments (partnered and single) declined by 51.2 % primarily in the East and West, noting the numbers are small
- Low Income Card declined by 25% primarily in the West and East (which had the highest number of recipients)
- Youth Allowance (student and apprentice) declined by 24.4% again primarily in the East and West
- Austudy declined by 22.8% in the West and East
- Health Care Card declined by 21.3 % with the highest decline in the East and declines also in the West and Middle.

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Whilst Table 33 shows a proportionally high increase in Special Benefit the number of recipients is small. The greatest increase is for ABSTUDY, all in the East but again the numbers are small. There has also been an increase in the Seniors Health Card, the greatest increase being in the West.

Table 33 Centrelink Payments June 2016 and June 2018 for Port Phillip

CENTRELINK PAYMENT	WEST			MIDDLE			EAST			PORT PHILLIP		
	June 2016 Count	June 2018 Count	% change	June 2016 Count	June 2018 Count	% change	June 2016 Count	June 2018 Count	% change	June 2016 Count	June 2018 Count	% change
ABSTUDY (Living allowance)	0	0	n.a.	0	0	n.a.	13	14	7.70	16	18	12.50
ABSTUDY (Non-living allowance)	0	0	n.a.	0	0	n.a.	5	6	20.00	8	11	37.50
Age Pension	1,146	1,124	-1.90	1,819	1,679	-7.70	2,860	2,704	-5.50	5,841	5,509	-5.70
Austudy	38	25	-34.20	63	53	-15.90	290	224	-22.80	391	302	-22.80
Carer Allowance	291	299	2.70	399	394	-1.30	555	517	-6.80	1,249	1,211	-3.00
Carer Allowance (Child Health Care Card only)	0	0	n.a.	5	5	0.00	10	5	-50.00	18	15	-16.70
Commonwealth Seniors Health Card	290	352	21.40	572	644	12.60	512	583	13.90	1,378	1,580	14.70
Disability Support Pension	519	505	-2.70	779	760	-2.40	2,010	1,864	-7.30%	3,314	3,129	-5.60
Family Tax Benefit A	412	378	-8.30	559	545	-2.50	1,460	1,306	-10.50	2,436	2,229	-8.50
Family Tax Benefit B	355	323	-9.00	499	469	-6.00	1,258	1,129	-10.30	2,117	1,921	-9.30
Health Care Card	576	474	-17.70	967	829	-14.30	3,060	2,325	-24.00	4,615	3,631	-21.30
Low Income Card	225	151	-32.90	373	315	-15.50%	1,259	928	-26.30	1,863	1,397	-25.00
Newstart Allowance	306	321	4.90	557	526	-5.60%	1,717	1,511	-12.00	2,589	2,359	-8.90
Parenting Payment Partnered	9	5	-44.40%	25	25	0.00	102	50	-51.00	136	78	-42.60
Parenting Payment Single	68	52	-23.50	86	104	20.90	228	193	-15.40	382	349	-8.60
Pensioner Concession Card	2,002	2,014	0.60	3,068	3,018	-1.60	5,985	5,786	-3.30	11,081	10,821	-2.30
Sickness Allowance	0	5	n.a.	0	0	n.a.	21	16	-23.80	22	24	9.10
Special Benefit	5	5	0.00%	6	7	16.70%	10	19	90.00	19	28	47.40
Widow Allowance	11	7	-36.40%	12	11	-8.30%	34	25	-26.50	57	40	-29.80%
Wife Pension (Partner on Age Pension)	5	5	0.00	0	0	n.a.	5	5	0.00	10	9	-10.00
Youth Allowance (other)	21	27	28.60	42	29	-31.00%	88	75	-14.80	151	131	-13.20
Youth Allowance (student and apprentice)	97	72	-25.80	180	153	-15.00	718	529	-26.30	999	755	-24.40
Commonwealth Rent Assistance (income units)	363	349	-3.90	800	766	-4.30	3,959	3,523	-11.00	5,122	4,642	-9.40

Source: Centrelink

Table 33 reveals the following for the three areas:

- The East has the highest numbers of people in receipt of Centrelink incomes across all types of payments, e.g. Age Pension, Disability Support Pension and Newstart Allowance and the highest numbers of low income earners in receipt of CRA and other Commonwealth payments such as Family Tax Benefits and Low Income Card. Though the numbers have declined since 2016.
- The Middle has the second highest number of people in receipt of Centrelink incomes across all types of payments. There has been an increase in Parenting Payments Single from June 2016 to June 2018
- The West has the smallest population of Centrelink recipients with a small increase in the uptake of the Pensioner Concession Card and Youth Allowances from 2016 to 2018.

Housing Tenure

According to the ABS 2016 Census there were 98,113 people living in Port Phillip of whom 47.2% were living in private rental and 4.2% in social housing i.e. public and community housing⁸⁴. Table 34 shows that the highest population of renters was in the East which had the highest number of private rental tenants but only the second highest number of social housing tenants.

Table 34 Public and Private Populations Port Phillip 2016

Tenure	West	Middle	East	Port Phillip
Persons	15,877	26,325	55,914	98,113
Number in private rental	5,920	10,739	29,832	46,392
Number in Public and Community Housing	1,069	1,510	1,532	4,135

Source: ABS 2016 Census of Population and Housing

There is a discrepancy in the counts of social housing stock between the data provided in the 2016 census and local government municipal rates data. Table 35 indicates that the 2016 census undercounted the social housing stock both public housing and community housing.

Table 35 Difference Between Census 2016 and Port Phillip Rates Data regarding Social Housing Stock

	West			Middle			East		
	Rates	Census	diff	Rates	Census	diff	Rates	Census	diff
Public Housing	735	541	194	1,148	747	401	1,079	740	339
Community Housing	49	26	23	32	114	-82	487	244	243
Total	784	567	217	1,180	861	319	1,566	984	582

Source: ABS 2016 Census of Population and Housing and Port Phillip Rates Data 2018

Figure 11 below shows the distribution of housing tenure across Port Phillip into the three study areas. It sets out purchasing and owners separately as well as homeowners which is the addition of these two. Combing the analysis of Table 32 and Figure 11 shows that in 2016:

⁸⁴ This ABS calculation of social housing may be undercounted due to the manner in which residents defining their housing situation in the Census form.

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The West had:

- the lowest proportion of Port Phillip’s population (16%)
- the most social housing tenants as a % of the area’s population (6.7%) due to the largest number of public housing estates developed between the 1940s-1970s
- the highest proportion of home ownership at 55% with the highest numbers of home purchasers (30.6%)
- the lowest proportion of private rental (37.3%)

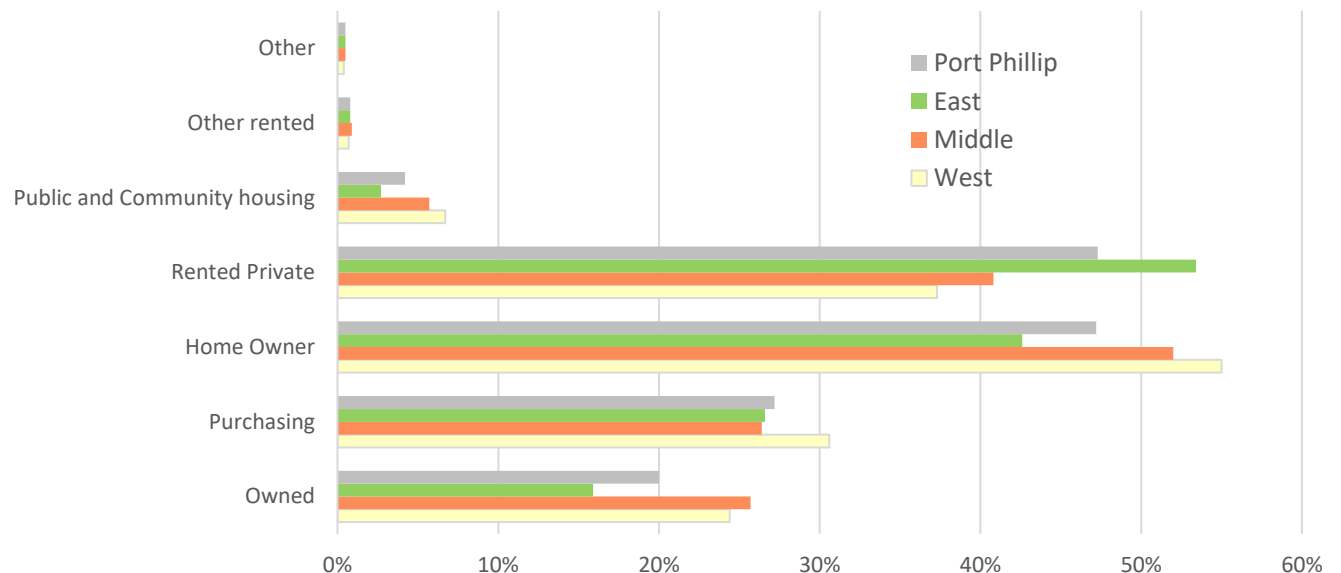
The Middle interestingly sits in the middle with:

- the second highest proportion of Port Phillip’s population (27%)
- the second highest proportion of social housing tenants (5.7%)
- the second highest level of private rental (40.8%)
- the second highest level of home ownership (52%)
- the second highest level of social housing (5.7%)

The East had:

- the highest proportion of Port Phillip’s population (57%)
- the most private rental (53.4%)
- the least social housing tenants as a % of the area’s population (2.7%)
- the smallest proportion of home ownership (42.6%)

Figure 11 Housing Tenure as a percentage of each local area population and the Port Phillip Population 2016



Source: ABS 2016 Census of Population and Housing and Planning

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Given that the East has the most private rental it is not surprising that it has the highest number of private renters, with 65.3% of private renters living in the East (Table 31 above).

Table 36 below indicates that the East has the largest social housing adult population at 39% and the West the lowest social housing population at 25%.

Table 36 indicates the highest numbers of dependent children living in private rental is in the East, with 52.9% living in private rental. However, at the same time the East has the smallest numbers of dependent children living in social housing, with 24.5%. The highest number of dependent children living in social housing are living in the Middle at 42.4%.

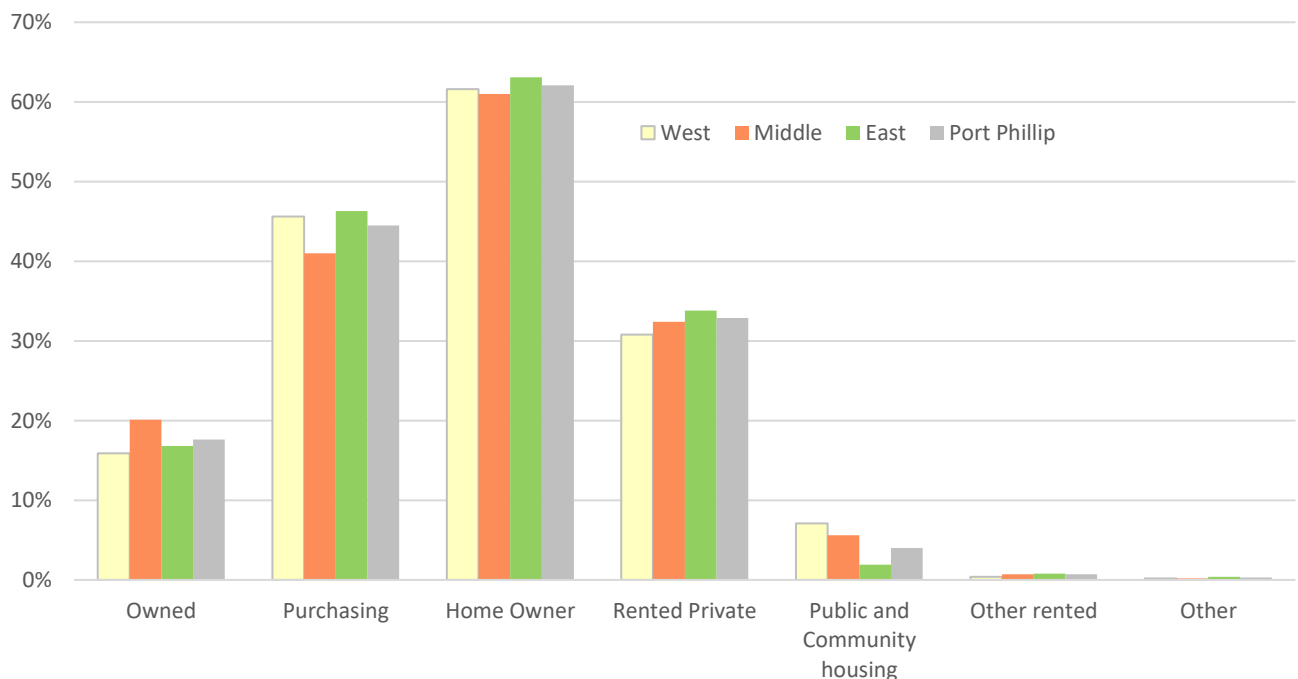
Table 36 Rental Tenure for the areas and Port Phillip for Adults and Dependent Children 2016

Household Type	West	Middle	East	Port Phillip
Adults in Private Rental	5,169	9,465	27,558	42,192
Adults in Public and Community Housing	896	1,289	1,405	3,590
Dependent child in Private Rental	751	1,273	2,274	4,299
Dependent child in Public and Community Housing	172	221	128	521
Total	6,989	12,248	31,365	50,602

Source: ABS 2016 Census of Population and Housing and Planning

Figure 12 sets out the tenure types by households with dependent children based on the 2016 Census and reveals that most dependent children live in households who are homeowners. The West has the most households with dependent children in social housing and the East the least households with dependent children in social housing.

Figure 12 Households with Dependent Children in Private and Social Housing Rental Port Phillip 2016



Source: ABS 2016 Census of Population and Housing and Planning

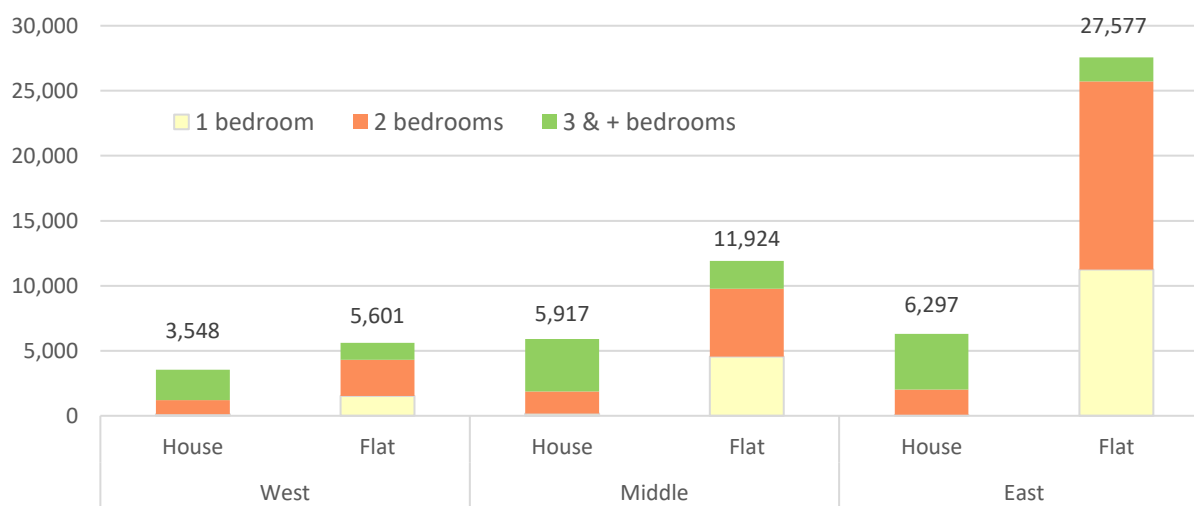
Housing Stock

Using the data derived from Port Phillip rates records it is possible to determine the type of stock at 2018 for the municipality and the three small areas.⁸⁵

In September 2018 there were 60,864 residential dwellings in Port Phillip, 74.1% of which are flats/apartments with most (88.2%) being one or two bedrooms. Whereas half of the housing stock (53%) is three bedroom stock.

Figure 13 below shows that the East has the highest levels of residential housing stock, the majority being two bedroom flats with most of the housing stock having three bedrooms.

Figure 13 Port Phillip Private Rental Housing Stock by Bedroom Numbers 2018⁸⁶



Source: City of Port Phillip Rates Data September 2018

In September 2018 there were 2,962 public housing and 568 community housing dwellings in Port Phillip, a total of 3,530 social housing properties. This is less than 4,117 social housing dwellings, 3,144 public housing dwellings and 968 community housing dwellings (see Figure 5 above)⁸⁷. Please note 45 properties did not have bedroom numbers and have not been included.

This social housing stock is primarily one bedroom stock at 50.9% of all social housing stock. Almost all the community housing stock, 74.1%, is one bedroom. Only 5.9% of the community housing stock in 2018 was three or more bedrooms. The public housing stock is mainly one and two bedroom stock (78.4%) and only 21.6% being stock of three or more bedrooms.

Figure 14 below shows the distribution of social housing stock across the three areas of Port Phillip. It indicates that:

⁸⁵ The supply of the data complied with privacy legislation and all details of ownership and landlords was deleted from data provided for September 2018

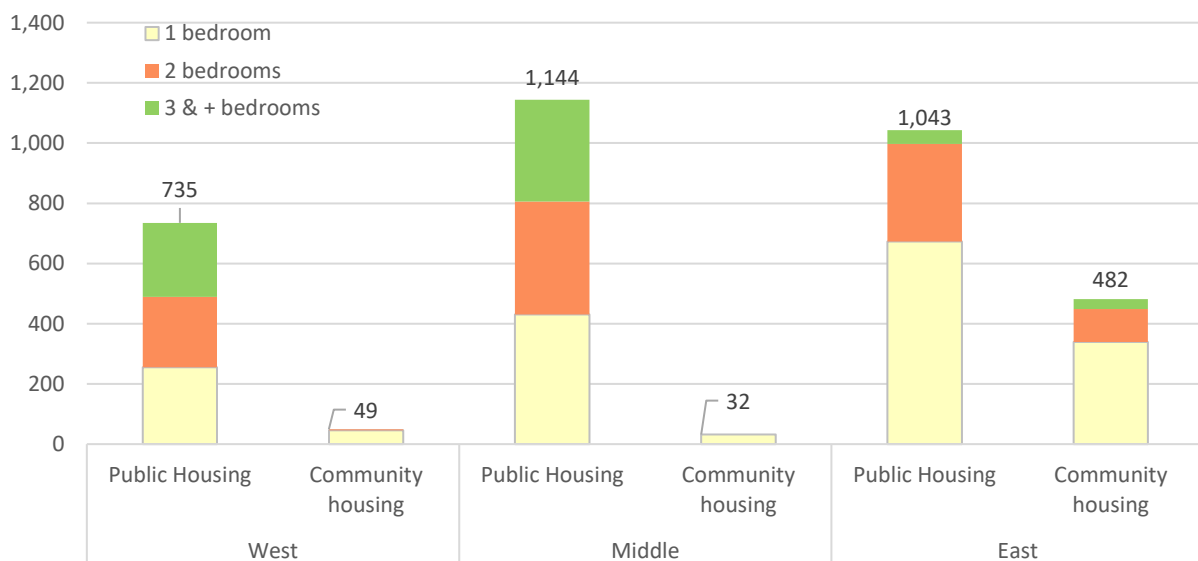
⁸⁶ House includes, row and terrace house; flats includes units

⁸⁷ Difference may be partially due to timing as DHHS data is as at 2017 Port Phillip is for 2018.

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- The Middle has the highest proportion of public housing, 39% i.e. 431 dwellings have one bedroom; 375 have two bedrooms, 326 have three bedrooms, only 11 dwellings have four bedrooms and just one has five or more bedrooms. All the community housing units have one bedroom.
- The East has 35.7% of the public housing stock: (64.5%) 673 have one bedroom; 324 (31.1%) have two bedrooms, three have three bedroom, five have four bedrooms and four have five or more bedrooms. There are 482 community housing dwellings: 70.3% are one bedroom, 12.9% (110) have two bedrooms, 30 have three bedroom dwellings, two have four bedrooms and one has five bedrooms or more.
- The West has the least social housing stock with 735 public housing dwellings evenly split between one, two and three bedroom stock and six four bedroom dwellings. There are only 49 community housing dwellings, 93.9% have one bedroom and the other three dwellings have two bedrooms.

Figure 14 Port Phillip Social Housing Stock by Bedroom Number 2018



Source: City of Port Phillip Rates Data September 2018

2.6 Conclusions – Key Findings on Housing Needs

Consideration of the needs assessment, both the issues raised by the community housing providers and data analysis, has led to the development of the following matrix of needs for the priority needs groups identified in Port Phillip.

Priority Needs Groups Key Findings

Older persons 60+

An increase in older single people 2011 to 2016, except males 75 and over, living in private rental. There is a need to provide affordable and adaptable housing for older single men and women 60 to 74 years of age and for women 75 years and over.

<p>Single women over 60 years</p>	<p>In 2016 most (78%) women 75+ living in private rental were on very low and low incomes. This is an increase from 2011, 43% for very low income women and 67% for low income women. This is projected to increase by 2026.</p> <p>The percentage of women 60-74 years on low incomes living in private rental in 2016 grew substantially from 2011 (71.7%)</p> <p>Older single women are increasingly being confronted with housing related poverty which appears to be occurring in Port Phillip. Hence, there is a need for appropriate housing for older women 60+, such as women specific one bedroom accommodation e.g. self-contained accommodation.</p>
<p>Single men over 60 years</p>	<p>In 2016 there were marginally more single males aged 60 to 74 living in private rental on very low and low incomes than women.</p> <p>This may be linked to the high proportion of men living in private rooming house accommodation, which is not as suitable for women. There is a need for self-contained community accommodation as private rooming houses are closing.</p>

Low Income Families

Low numbers of very low and low income families with dependent children in Port Phillip which is due to the high private rental costs in Port Phillip resulting in very low income families having the least options available for affordable private rental or home purchase.

Many families with young dependent children living in private rental housing are experiencing homelessness .

To break a cycle of homelessness long term affordable housing for families is essential.

<p>Large families 3+ children</p>	<p>The lack of suitable private rental stock, i.e. three + bedrooms, and high private rental cost has led to low numbers of large families.</p> <p>At the same time there has been a substantive growth in two parent families with three or more children living in private rental (202% low income, 183% moderate income from 2011-2016)</p> <p>The lack of three and more bedroom stock limits the ability of low income families to rent or purchase housing even when they have enough moderate incomes.</p> <p>There is an Immediate need for three bedroom+ stock options both in the private, purchases and rental, and social housing markets.</p>
<p>Small families 1 to 2 children</p>	<p>Just under half of very low income couple and single parent households pay more than 50% of their income in private rental. Very low income households paying more than 50% of their income in private rental are at risk of homelessness.</p> <p>There is an immediate need for two to three bedroom stock both in the private rental and social housing markets.</p>

Priority Needs Groups Key Findings

At risk of homelessness

The most vulnerable households are very low and low income single people. In 2016 81% spent more than 50% of their income on private rent. Single people on Centrelink incomes renting privately are confronted with the highest housing costs.

There is an immediate need for more social housing, 1 to 2 bedrooms, to cater for the current high number of very low income, singles, couples and small families such as sole parents living in private rental on very low and low incomes

As private rooming houses are declining in Port Phillip⁸⁸ there is a need to continue to work with community housing organisations that provide accommodation for low income single people.

Singles

Single men and women aged 40 to 59, living on very low and low incomes, are continuing to live in private rental dwellings.

Males living in improvised dwellings with an older age profile are experiencing homelessness. Most single males are living in private rooming houses.

There was decline from 2011 to 2016 in the following single households:

- single men and women aged 25-39 years on very low incomes
- men aged 25 to 59 on very low incomes
- low income men aged 40 to 59.

This data indicates that middle aged single people (40-59 years) are opting to 'age in place' and choose to live near their networks and connections, even when housing costs are high in the private rental market.

The declines in single males in Port Phillip 2016 may be due to very low and low income singles being priced out of the private rental market. However, there were more very low income single men than women aged 25-59 living in private rental in 2016.

Very low income singles have the least options available for affordable private rental or home purchase.

To break a cycle of homelessness long term affordable housing for singles is essential.

There is also a need for appropriate, adaptable housing for middle aged singles to enable them to age in place.

Couples

In 2016, 230 very low income couples rent privately, 83 aged 25-39 and 35 aged 15-24.

In 2016, 640 low income couples rent privately, most are 25-39 years, 330 couples.

Most couples aged 75 and over were living on very low and low incomes renting privately.

There has been a decline in couples 15-24 and 25-39 living on a low income in private rental from 2011 but an increase for couples aged 40 +.

This data indicates that:

- the older couples over 60 years are ageing in place
- the younger couples 15 to 24 cannot afford to move into private rental.

The growth in one and two bedroom social housing stock could provide housing for this group.

⁸⁸ Loss of the Gatwick and the Oslo Hotel *The Block 2018: St Kilda's Oslo Hotel set to be transformed for the 2019 season* www.domain.com.au viewed June 2018

Priority Needs Groups Key Findings

Low income wage earners / key workers

Family households of low income workers, cleaners (domestic and commercial), café employees (worker and manager) child care workers, bar workers and baristas, have the least capacity to find affordable housing, both because of the cost and the lack of appropriate stock.

Even when the low income worker is not the sole income earner in the household, the household income is only \$800 per annum above the very low income range.

More than half of the lowest earning key worker occupations in Port Phillip (cleaners – domestic and commercial, café employees – worker or manager, child care worker, bar worker and barista) live outside Port Phillip with only 13.8% of cleaners residing in the municipality in 2016.

Young People Aged 15-24

There are low numbers of very low and low income young people. Moreover, young people in Port Phillip have a higher median income than in metropolitan Melbourne .

At the same time, it is worth noting that there are higher numbers of young women living alone in private rental on low and very low incomes (181 in 2016).

Hence any focus on social housing for young people should be on housing for young women, taking note however that shared households may not be the most suitable for safety and security reasons.

Section 3. Allocations Framework

3.1 Summary of Key Findings on Housing Needs

The allocations framework has been devised to assist Port Phillip advocate for the high unmet needs for affordable and social housing in the municipality. A focus has been on the priority needs groups identified by Port Phillip.

All very low and low income households in Port Phillip, and all the priority needs groups (older people, particularly single women; low income families, particularly large families with 3 or more children; singles at risk of homelessness; and low income wage earners) and the broader spectrum of needs groups (older single men; smaller families; couples and youth) have high unmet housing needs.

The key findings of the data analysis in relation to the household groups living in private rental in 2016 with incomes at the very low, low and moderate levels are that:

- The highest population group is small families with up to two children, 1,664 living in private rental. Of these, 975 are living on very low and low incomes. From 2011 to 2016 these small families of very low incomes have had the least population growth which is likely to be due to their low incomes and the high cost of housing in Port Phillip.
- There are very few large families with three or more children living in private rental on very low and low incomes, only 21 in 2016. This is the smallest household group in Port Phillip. At the same time two parent families with households with 3 or more children living in private rental experienced the most substantial growth – 202% for low income families (40 families) and 183% for moderate in families (51 families). The lack of these families is due to the lack of stock.
- Households of single women 60 years and over were the highest growing population from 2011 to 2016 living in private rental. The highest numbers of these older single women households were women aged 60-74 on very low and low incomes. There was also double the number of women 75+ than men on very low incomes living in private rental in Port Phillip in 2016. The highest growth from 2011 to 2016 is for women aged 75 and over.
- In 2016 there were more young women aged 15 to 24 living in private rental in Port Phillip than young men. Whilst there had been a decline in young women living on very low incomes between 2011 and 2016, in 2016 35.9% more young women on very low and low incomes were living in private rental in Port Phillip (181 women compared to 116 men).
- There was a growing population of single adults aged 40 to 59 living in private rental on very low incomes with higher growth for women than men. Similarly there is a higher growth of single women aged 25-59 than men on very low and low incomes, particularly women aged 25-39.
- There was growth in older couples over 40 years living on very low incomes from 2011 to 2016 with 71.2% growth in couples aged 40-59. At the same time the highest numbers of

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couples were those aged 25-39 years, 233 on low incomes and 597 on moderate incomes.

Table 37 below summarises the data, included in the body of the report, regarding the different household groups in relation to the affordable housing income ranges established by the Victorian Government in June 2018 (discounted to 2016 dollar values).

Table 37 Very Low, Low and Moderate Income Households in Port Phillip 2016

Household Type Living in Private Rental	Very low Income	Change 2011-2016 %	Low Income	Change 2011-2016 %	Moderate Income	Change 2011-2016 %
FAMILIES WITH CHILDREN						
Small families 1-2 children 2016	479		496		689	
Couples	156	7.0%	285	32.3%	465	66.5%
Sole parents	323	3.5%	211	21.8%	223	89.9%
Large Families 3+ children	21		48		55	
Couples	14	7.9%	40	202.4%	51	183.1%
Sole parents	7	-46.6%	8	-22.2%	4	-48.9%
SINGLES – LONE PERSONS						
Older Singles 60+	246		211		111	
Older Singles 60-74	170		164		104	
Male	90	0.4%	83	4.3%	62	19.4%
Female	80	-3.4%	81	71.7%	42	1.2%
Older Singles 75+	76		47		7	
Male	26	-13.0%	21	-14.6%	3	-34.2%
Female	50	43.2%	26	67.8%	4	150%
Single Young People 15-24	160		137		186	
Male	64	15.1%	52	9%	84	14.4%
Female	96	-11.8%	85	24.1%	102	-6.2%
Single Adults 25-59	552		1,252			
25-39	248		399		866	
Male	130	-7.5%	164	3.6%	422	11.3%
Female	118	-15.4%	235	21.9%	464	1.2%
40-59	304		300		305	
Male	162	8.3%	155	-11.1%	162	12.8%
Female	142	16.9%	145	4.3%	142	22%
COUPLES						
Couples	204		405		887	
15-24	35	-4.5%	80	25.8%	131	18.7%
25-39	83	-1.1%	233	7.2%	597	22.8%
40-59	38	71.2%	51	27.7%	110	17.6%
60-74	33	24.7%	57	44.7%	35	20.8%
75+	26	33.7%	8	-22.5%	13	210.3%

Source: Port Phillip rated Data 2018 and Planning and Environment Act 1987, Section 3Ab, Order in Council

In 2016 the number of households paying 50% of their income in private rent at risk of homelessness in Port Phillip was substantial at 1,239 households, the majority (706) being very low income households.

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The table below shows the proportion of each household group by income group paying more than 50% of their income in rent. The data has discounted the 2018 income levels to 2016 dollars to ascertain the percentages.

Table 38 shows that in 2016 the households experiencing housing stress due to their high housing costs and the vulnerability to homelessness were:

- *Very low and low income single person households:* the majority (81.3%) of very low income households and almost a quarter (21.4%) of very low income households spent 50% or more of their income on rent
- *Very low income sole parent households* as just under half (43.8%) of these households spent 50% or more of their income on rent
- *Very low income couple households* as just under half (42%) of these households spent 50% or more of their income on rent.

Table 38 Households paying more than 50% of their income in Rent Port Phillip 2016

Household Type	Households Paying More Than 50% Income In Private Rent 2016						
	Very low		Low		Moderate		Total
	Households	%	Households	%	Households	%	Households
Singles	417	81.3%	270	21.4%	138	7.7%	825
Sole parents	141	43.8%	8	6.1%	0	0.0%	149
Couple	87	42.0%	60	13.6%	28	4.2%	175
Couples with children	61	29.3%	26	11.9%	3	0.7%	90
	706		364		169		1,239

Source: Census table builder 2016, applying the Planning and Environment Act 1987, Section 3Ab, gazette incomes

The needs assessment in Table 39 below also revealed that in 2018 families have limited affordable housing, both private rental and home purchase, stock options in Port Phillip. Additionally, large families requiring three or more bedrooms have the least stock options even when their income is at the moderate level. At the same time, low income workers (cleaners, café staff, bar workers and baristas, and child care workers and registered nurses) have limited access to affordable housing in Port Phillip.

Table 39 sets out the affordable housing stock and cost by income level for singles, couples and families and low income wage earners and key workers in Port Phillips in 2018.

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Table 39 Affordable Housing in Port Phillip in Port Phillip by 2018 Affordable Housing Income Levels

Household Type and Income Level Highest annual income in each level for sole income ⁸⁹		Size	Purchase		Private Rent	
			Affordable purchase price	No. of properties	Affordable rent	No. of properties
Single	Very low Sole Income \$25,220	1 brm Bed sit	\$145,000 ⁹⁰	17	\$209	38
	Low 2. Sole Income \$40,340 <i>Cleaners (domestic & commercial) Bar worker & Barista, Childcare worker</i>		\$232,000	93	\$299	604
	Moderate 2. Sole Income \$60,510 <i>Café manager</i>		\$348,000	490	\$348	1,362
Couple	Very low 4. Sole Income \$37,820 <i>Cleaners (domestic & commercial) Bar worker & Barista, Childcare worker</i>	1 brm	\$218,000	76	\$280	433
	Low 3. Sole Income \$60,520 <i>Café (manager & worker)</i> 4. More than 1 income Household <i>Cleaners (domestic & commercial)</i>		\$348,000	490	\$411	3,231
	Moderate 5. Sole Income \$ 90,770 6. More than 1 income Household <i>Registered Nurse, Teachers (primary & secondary), Police, Ambulance and Paramedics</i>		\$522,000	2,126	\$522	2,325
Family	Number of bedrooms			2 brm	3+ brm	2+ bedrooms
	Very low 3. Sole Income \$52,940 <i>Cleaners (domestic & commercial) Bar worker & Barista, Childcare worker, Café (manager & worker)</i>	\$305,000	22	2	\$383	29
	Low 3. Sole Income \$84,720 <i>Registered Nurse, Teachers (primary & secondary)</i> 4. More than 1 income Household <i>Cleaners (domestic & commercial) Less than \$800 per annum above very low income</i>	\$488,000	280	7	\$487	73
	Moderate 4. Sole Income \$127,080 <i>Police, Ambulance & paramedics</i> 5. More than 1 income Household <i>Bar worker & Barista, Café (manager & worker), Child care worker Registered Nurse, Police, Ambulance and Paramedics</i>	\$731,000	2,034	92	\$731	429

Source: Port Phillip Rated Data 2018, DHHS rental letting data 2017; Planning and Environment Act 1987, Section 3Ab, Order in Council

⁸⁹ It is assumed that all moderate income households and low income families are not eligible for CRA

⁹⁰ The quality of the 1 bedroom private stock affordable for very low income households for rent or purchase is most probably not acceptable for contemporary living standards.

3.2 Needs Allocation

Needs Allocation

Whilst the report sets out priorities for advocating and addressing the unmet needs of the Port Phillip priority needs groups it is important to note that consideration must always be taken of the features and capability of specific sites proposed for affordable and/or social housing construction.

The allocation framework sets out the priority for allocation of the social and affordable housing and indicative stock size for the priority needs groups identified by Port Phillip. It is acknowledged that Port Phillip cannot resolve the social and affordable housing needs of all household groups in Port Phillip. Nonetheless, the allocations recommended need to be at a sufficient level to achieve substantive affordable and social housing outcomes.

In recognition that all very low income and low income priority needs household groups, as well as other needs groups, in Port Phillip have unmet housing needs, it is recommended that the allocation framework be divided between these two groups, as follows:

- Priority needs groups -75%
- Other needs groups - 25%

Priority Needs Allocation Framework Rationale

The basis of the priority needs allocation is outlined below.

Singles facing housing stress, hence at risk of homelessness

The low level of Centrelink incomes and the high cost and limited availability of affordable housing has meant that 81.3% of singles were paying more than 50% of their income in rent in 2016. As such singles have the highest risk of experiencing homelessness and the greatest need for social housing.

The data reveals that within the singles group there are four significant household groups with a high need for social housing. Therefore, it is recommended the allocation of 1 bedroom housing stock should be for:

Single homeless people/rough sleepers. Singles have a high risk of homelessness and are the primary group found to be rough sleeping in Port Phillip as such an allocation has been made for this group.

Single men 25 to 59 years of age. There are more men living on low incomes living in private rental than women.

Older single women over 60 years of age. Older women living in private rental on very low and low incomes are the growing population in Port Phillip.

Single young women 15 to 59 years of age. Single young women on low incomes living in private rental is a growing population and there are more young women 15-24 years than young men on very low and low incomes living in private rental.

Families with limited private affordable housing options.

Small families requiring only 2 bedroom dwellings living on very low and low incomes have limited affordable housing in the private market. As such, it is recommended that there be an allocation of two bedroom social housing housing stock for:

Small families living on very low and low incomes.

At the same time, it is important to note that large families with three or more children requiring 3 or more bedrooms have limited affordable housing available for private rent in Port Phillip. As such it is recommended that 3 bedroom social housing stock be allocated to:

Large families on very low and low incomes

Low income wage earners

Very low income and low income working households are constrained in their opportunities to access housing in Port Phillip due to their limited income. The following households are particularly faced with difficulty accessing affordable housing in Port Phillip:

- very low income singles and couples – Cleaners, domestic and commercial; Bar workers and Baristas; and Childcare workers
- low income singles – Cleaners, domestic and commercial; Bar workers and Baristas; and Childcare workers; and low income couples – Café managers and café workers
- very low income families – Cleaners, domestic and commercial; Bar workers and Baristas; Childcare workers; and Café managers and café workers

Thus, it is recommended there be a mix of one and two bedroom social housing and private market affordable housing.

Social housing for very low income worker couples

Social and affordable housing for low income working singles and couples

The proportional weighted allocations for the high priority needs household groups is set out below. Please note the indicative percentages of the needs allocation have been calculated taking account of the groups experiencing housing stress identified in Port Phillip. The percentages for the priority needs groups had a proportional weighting applied.

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Priority Needs Category Allocation (75%)	Needs Households & Dwelling Size	Proportional Needs Weighted Allocation %
Singles in housing stress, at risk of homelessness (42.7%)	Persons who are homeless/sleeping rough	At Minimum 3.7%
	1 bedroom	
	Older women aged 60+	12.3%
	1 bedroom	
	Single men aged 25-59 years	11.3%
Families (25.9%)	1 bedroom	
	Single young women aged 15 - 25 years	15.4%
	Smaller families	24.8%
Low income wage earners (6.4%)	2 bedrooms	
	Larger families	1.1%
	3 + bedrooms	
Low income wage earners (6.4%)	Low income wage earners (singles and couples)	6.4%
	1 and 2 bed	

A proportional weighting of the needs allocation has not been calculated for the other needs groups.

Alternative Affordable Housing Programs and Partnerships

Low and moderate income families of key workers, Registered Nurses, Teachers (primary and secondary), Police, Ambulance workers and Paramedics, have enough income to afford private market house purchase and rental however there is limited stock available, especially for larger families requiring three or more bedrooms in Port Phillip. These groups are more able to afford housing programs such as government subsidised affordable rental housing schemes. Moreover, their income levels are more likely to contribute to the financial sustainability of affordable and social housing programs. Thus, it is recommended that:

Port Phillip work with governments and private developers to provide alternative affordable house purchase and rent products for housing stock of three bedrooms such as, shared equity, rent to buy, and any new build to rent affordable housing schemes developed by the Federal Government.

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Appendix 1

City of Port Phillip (CoPP) Needs Assessment and Allocation Study 2018

The purpose of the interview is to garner your expert information regarding:

- **the people your organisation assists**
 - **off the street requests for assistance**
 - **individuals your organisation is unable to assist.**
-
1. Which of the CoPP high needs target groups does your organisation work with?
 - Older persons (i) single women; (ii) older men
 - Low income families (i) larger families; (ii) small families
 - At risk of homelessness (i) single; (ii) couples
 - Low income wage earners / key workers
 - Youth

 2. How do people approach the organization – directly, referral?

 3. Do you have information on the prior situation of the person?
 - Location whether in the CoPP; and,
 - Living arrangements e.g. rough sleeping, incarceration, couch surfing, DV.

 4. Can your records of intake and referrals reveal:
 - If there are groups you could not assist?
 - Where you refer people you cannot assist?

 5. What do you think are the unmet needs of the target groups identified by the CoPP?