



City of Port Phillip Officer Submission

# National Housing & Homelessness Plan - Issues Paper

October 2023



Marlborough Street community housing, Balaclava - developed in the air space over a replacement Council owned car park under a partnership with HousingFirst and Homes Victoria

# Introduction

## Commonwealth Government role

The City of Port Phillip (Council) welcomes the opportunity to provide a submission to the Department of Social Security's National Housing and Homelessness Plan - Issues Paper.

The City of Port Phillip acknowledges the proposed broad based and integrated vision and strategies in the Issues Paper to increase housing supply and affordability. It is considered positive that the Commonwealth Government recognises the need for diverse solutions for all components of the housing system, and has a commitment to engage with and involve diverse and broad sectors in Australia, including local government, in seeking to address the current housing crisis in Australia.

The City of Port Phillip also acknowledges the significant and unprecedented financial investment of the Federal Government in social and affordable housing, comprising the:

- **Housing Australia Future Fund** - \$11B in a \$500M per year perpetual fund, targeting 30,000 new social and affordable housing dwellings between 2023 - 2028. This includes the \$500M Housing Support Program for state and local governments to kick-start new housing in well located areas.
- **National Housing Accord** - \$3B in performance-based funding targeting 10,000 affordable housing dwellings between 2024 - 2029.
- **Social Housing Accelerator** - \$2M additional funding to States targeting new social housing units (\$496M for Victoria, estimated to deliver 769 dwellings in Victoria) between June 2023 - June 2025.

The City of Port Phillip believes the following will be required to address the scale and breadth of the housing supply and affordability problem:

- **The combined roles, efforts and investment of all sectors in Australia** - the three levels of government, and the community housing, charitable, philanthropic and private sectors to tackle the extent of the housing supply and affordability crisis facing Australia.
- **Housing options which address the continuum of housing need** - from persons with no income or are homeless (rough sleeping), to very low and low income, and to moderate income up to the 7<sup>th</sup> income decile (the lower 70% of the income range).
- **Solutions across the full spectrum of affordable housing products** - from supported social housing for persons experiencing homelessness (rough sleeping) to affordable private rental and home ownership.

The continuum of housing need and the spectrum of housing products across the housing system is provided in Diagram 1 on page 4. This illustrates how the depth of subsidy from government decreases along the spectrum, from products targeting homelessness and social housing, to products targeting private affordable housing for moderate income households.

**It is important that government continue to invest in housing types and products addressing households with the greatest need:** from homelessness, via supported social housing (e.g. the Common Ground model), to very low and low-income cohorts, such as via social (public and community) housing. This is due to the necessity of government funding and subsidy for housing that targets persons in the greatest need, which the private sector generally will not invest in.

As investors and developers are not interested in products requiring a deep subsidy, this provides a rationale for the **benefits of encouraging and facilitating expansion of the nascent private affordable housing sector in Australia**, in parallel with increasing the size of the social housing sector.

However, where private developers invest in affordable housing targeting very low or low-income households, and provide suitable safeguards for maintaining affordability over a long period, they should not be excluded

from eligibility for Housing Australia Future Fund grants under the affordable housing component. In addition, to stimulate the nascent private affordable housing sector, a tax incentive is required (refer to Section 3.4, response to question 3).

### **The housing affordability crisis**

The City of Port Phillip is in Melbourne's inner southern suburbs between two and eight kilometers from the Melbourne CBD. It has a diverse community with an estimated resident population in 2023 of 113,361 people with a high proportion- 48.8% renting their home. Port Phillip's population is expected to grow to more than 167,363 people by 2041, a significant 47.64% increase from the 2023 estimate.

The housing affordability crisis in Port Phillip is similar to that now facing many parts of Australia. In Port Phillip, the problems in private rental supply and affordability have:

- **Been growing since prior to the mid-1980s** - when Council (formerly the City of St Kilda) responded by directly intervening in the housing market by commencing its previous role in directly developing community housing on purchased private land and government land, including air space over replacement Council car parks, a housing model pioneered by the City of Port Phillip, and public-private partnerships, such as the Inkerman Oasis development in St Kilda; and
- **Already been at a crisis point in 2015** - when Council adopted its current affordable housing strategy, *In Our Backyard - Growing Affordable Housing in Port Phillip 2015 - 2025*, which facilitates and directly invests in social and affordable housing delivered through multiple partners. [In Our Backyard strategy](#)

As the affordability problem is well understood, this submission will not reiterate the nature of the affordable housing need, except where it is specifically relevant to recommended strategies or approaches.

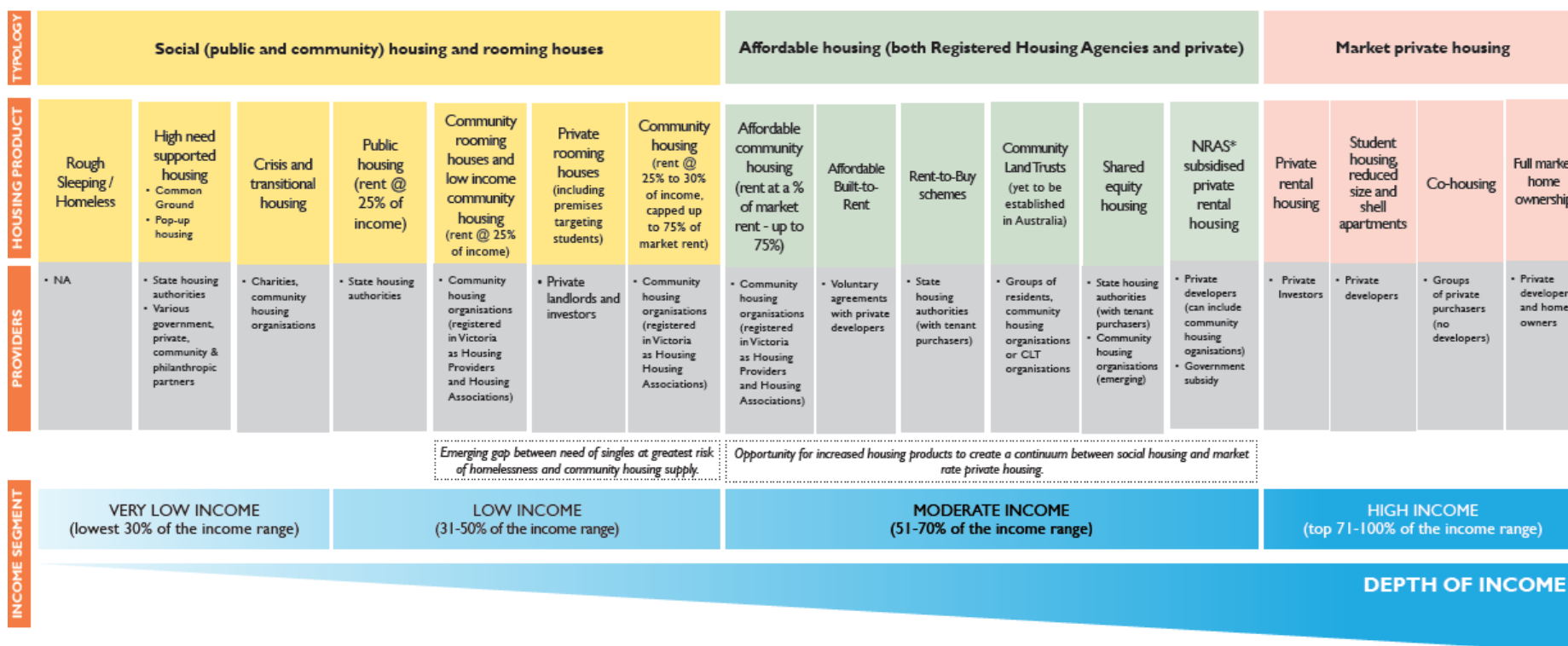
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# Spectrum of Housing Products

## DEPTH OF SUBSIDY



\*National Rental Affordability Scheme

## Sections of the Issues Paper this submission responds to:

This submission responds to all the following seven focus areas in the Issues Paper, and the 55 questions under the focus areas (shown in blue text):

### 3.1 Homelessness

### 3.2 Homelessness services

### 3.3 Aboriginal and Torres Strait Islander housing

### 3.4 Social housing

### 3.5 Housing costs, home ownership and the rental market in Australia

### 3.6 Planning, zoning and development

### 3.7 The Impact of Climate change and Disasters on Housing Security, Sustainability and Health

## 3.1 Homelessness

City of Port Phillip warmly welcomes the Australian Government's Housing and Homelessness Plan - Issues Paper, as it presents a great opportunity to highlight the high levels of housing stress and increasing numbers of vulnerable groups at risk of homelessness and the lack of affordable housing which heavily impacts upon individuals and communities served by this council. The City of Port Phillip has a key role to strongly advocate on behalf of our community. Homelessness is everybody's responsibility and can happen to anybody.

The submission is based on positions articulated in a number of relevant Council policies:

- City of Port Phillip's Council Plan 2021-2031
- City of Port Phillip Housing Strategy *In Our Backyard 2015-2025* which provides a clear overview and assessment of the housing situation in the City of Port Phillip, highlighting key areas of concern and Council's response to these concerns, and
- City of Port Phillip's Homelessness Action Strategy *Think & Act 2015-2021*.

It is hoped that this consultation process will result in far reaching change which sees the approach to responding to and preventing homelessness more integrated across all three levels of Government and all sectors of the community. Local Governments can have a central role to play in ensuring homelessness and the impact of the critical lack of housing is raised in ways that will increase community consciousness and understanding, and therefore build community cohesion.

Council believes that a safe and secure home is essential to facilitating sustainable social connections and building a fully inclusive community. It also recognises that a social model of health is based on the premise that people's social and economic circumstances strongly affect their health throughout their life. Homelessness is a critical health and wellbeing issue.

Council recognises that:

- Housing is a basic human right.



- Anyone can experience homelessness.
- A range of support services and housing is needed to prevent someone becoming homeless.

All three levels of government need to work together to help people move out of homelessness, sustain housing outcomes and increase neighbourhood connectiveness.

### **Council's understanding of homelessness**

The City of Port Phillip endorses a broad definition of homelessness which recognises the wide range of situations encompassed by the term 'homelessness' and the vulnerability of particular groups experiencing it. It views homelessness as a process in which both structural factors and individual experiences play a causal role.

Every individual can experience homelessness in a unique way, but there are also recurrent themes in these experiences, including the over-representation of Indigenous people and older people (45+) in the local homelessness (rough sleeping) population; the interconnections between homelessness and health, including mental health; the vulnerability of older people receiving lowest levels of income support for long periods of time, those who are marginally housed, and those with a chronic illness or a disability, particularly an acquired brain injury and post-traumatic stress. Although Port Phillip comprises a high proportion of young, educated professionals, it is also home to older people, families and single parents, those who are unemployed, and those on low incomes.

A key priority of Council is to responding to people experiencing homelessness or who are at risk of homelessness, and, consequently, has added to its well-established affordable housing strategies by developing specific homelessness action strategies which have also been aligned to a series of Council Plan directives and the Municipal Health & Wellbeing Plan.

In November 2018 Council unanimously endorsed the 'Everybody's Home Campaign' and its key objectives:

1. Support for First Home Buyers,
2. A National Housing Strategy,
3. A better deal for renters, immediate,
4. Relief for renters in chronic rental stress,
5. A plan to end homelessness by 2030.

Supporting Everybody's Home aligns closely with Council core objectives of promoting inclusion and pathways for people to move out of homelessness; that all community members feel included, safe and supported, regardless of their age, background or abilities embrace difference and people belong and that we maintain 7% proportion of housing stock remains social housing. The Commonwealth Government has the greatest capacity to improve housing affordability over the long term through its taxation and policy levers, including the National Housing and Homelessness Agreement and the National Housing Finance and Investment Corporation and taxation policy, but all three levels of government are needed to reduce homelessness and growing affordable housing.

Council has an enduring commitment to social justice and recognises homelessness, primarily a housing problem, as a priority. Affordable housing is consequently an important element of the council's strategy to help those experiencing housing stress at risk of homelessness and those who currently have no home from becoming homeless.

Human rights principles inform council's approach to people experiencing homelessness (rough sleeping), and local government responsibilities of managing public space, working in a targeted way to ensure the rights and interests of vulnerable people, who are sleeping rough, are also met. The council is legally obliged as a public authority within the Victorian Charter of Human Rights and Responsibilities 2006 to consider human rights when it makes laws, develops policies and provides services. The council's responses to homelessness are in accordance with this Charter.

Council believes that local government is the closest level of government to the community and plays a key role ensuring people have access to affordable, secure housing and support required to sustain tenancies and develop a sense of belonging to their community in partnership with State and Federal government.

Council's approach is consistent with the aims of the Victorian Local Government Act that requires local government authorities:

- Consider the diverse needs of their local community in decision making.
- Provide leadership by establishing strategic objectives and measure achievements.
- Advocate for the interests of their local community to other communities and
- Governments.

In 2020 and 2023 Council resolved to contribute \$4.755M and a \$365K valued surplus lane to a partnership with St Kilda Community Housing and Homes Victoria for the construction of a 26-unit Common Ground facility in Wellington Street, St Kilda, to house persons experiencing homelessness (rough sleeping) - for details refer to Section 3.4, response to Question 10.

## 1. What are the different challenges for people experiencing homelessness in urban, regional, and rural areas?

Australia is one of the few countries that counts homelessness in its national census. In addition, the Australian Institute of Health and Welfare (AIHW) collects detailed data on people who use government funded homelessness support services. The greatest increase in homelessness has been in inner city areas of capital cities. The Australian Homelessness Monitor [Australian Homelessness Monitor 2022 \(launchhousing.org.au\)](https://www.launchhousing.org.au) reports that the Australian Bureau of Statistics (ABS) shows that homelessness has increased the most in capital cities and that generally rates of increases have been highest in the inner-city areas.

The Monitor also reports that rough sleeping is increasing at a faster rate than other forms of homelessness. The ABS show that nationally, rough sleeping grew by 20% between 2011 and 2016 but decreased by 6.9% between 2016 and 2021. There is a high degree of diversity between states: rough sleeping increased in Western Australia by 113.8% and decreased in New South Wales by 62.8%. There was also the impact of the COVID-19 Pandemic period's Homeless to a Home H2H program in Victoria. This was especially true in the City of Melbourne which recorded a 200% increase in rough sleeping. Our key rough sleeping program, Port Phillip Zero (and the 2021 Census) has indicated that rough sleeping decreased in CoPP from the 2016 Census (107 persons) to 2021 Census (33 persons).

Older people represent the fastest growing cohort of people experiencing homelessness. Older people in the 55-74 age group, in particular single women, were the fastest growing group experiencing homelessness in the 2016 Census. In the decade to 2016, this group grew by 55%. This is also reflected in the AIHW data on service use. This service issue showed a 26% increase over the past three years where old age was identified as a presenting service issue.

Our data suggests people who are rough sleeping have likely experienced other forms of homelessness (crisis accommodation services, couch surfing, marginal or extreme over- crowded housing) prior to sleeping rough.

This presents a very compelling argument for intervening early to find sustainable solutions for young people experiencing homelessness to ensure that they do not move into rough sleeping over time.

The CoPP has for many years experienced higher levels homelessness than most other cities in Victoria and Australia. Since 2018 The Port Phillip Zero project (refer to case study below) has steadily reduced the numbers of people sleeping rough. In relation to numbers of people experiencing homelessness sleeping rough in the 2021 Census, Port Phillip had the ninth highest number of homeless citizens in the state- both total number of people experiencing homelessness rough sleeping, and overall total number of people experiencing homelessness. This compares to City of Port Phillip being fourth highest in the 2016 Census. The 2021 Census reported that the five LGAs with the highest levels of overall homelessness were Greater Dandenong (2,366), Casey (1852), Monash (1696) Greater Geelong (1546), Brimbank (1,528) and Whitehorse (1,225).

Case study:

### **Port Phillip Zero - progressing towards achieving a 'functional zero' level of homelessness**

Since July 2019, the City of Port Phillip, along with a range of service providers and other agencies, has initiated Port Phillip Zero, a 'collective impact' response to rough sleeping throughout the city. Collective impact is where a range of groups from different sectors agree to co-operate and work together to solve a common and complex problem.

Port Phillip agencies joined together with a common agenda: to achieve 'functional zero' rough sleeping in the city, where the number of people who enter rough sleeping each fortnight is no greater than the number of people who are housed and supported each fortnight. The Collective Impact Forum [What Is Collective Impact - Collective Impact Forum](#) describes four key features of collective impact programs:

- a common agenda
- shared measurement
- mutually reinforcing activities
- continuous communication.

An important component of Port Phillip Zero is the 'By-Name List', which allows the City of Port Phillip and local service agencies to know the number of people rough sleeping in 'real time', and their names and circumstances. The By-Name List is a near-to-real time mechanism and shared measurement tool, for rigorous and reliable data capture on the incidence and prevalence of homelessness and the effectiveness of our housing response.

The By-Name List is used to monitor service delivery, allocate responsibility for finding solutions for people, track trends and outcomes, identify system barriers, and inform and drive system improvements. It is updated fortnightly to enable identifying and working with all people who are rough sleeping in the City at a given point in time.

The By-Name List is updated at the weekly Service Co-ordination Meeting as part of the Project. Most importantly, this meeting aims to find housing matched with relevant support for people on the List. This meeting discusses and agrees on service responses for individuals, allocates responsibilities to different agencies and updates the List.

Achievements of Port Phillip Zero have been:

- Reduced numbers of rough sleepers from its peak of 129 in July 2019 to 25 in October 2023.



- Progressing towards the aim to achieve 'functional zero' rough sleeping homelessness by December 2024 (3 - 6 persons)- tis will be the first large community with a By-Name List of over 100 persons to achieve this goal.

Since the establishment of Port Phillip Zero, five other municipalities in Melbourne in have introduced Functional Zero programs: Dandenong, Frankston, Stonnington, Yarra and Greater Geelong. Details of the achievements of Port Phillip Zero and four of the other Functional Zero programs are provided in the submission from Launch Housing called *Zero in Melbourne: Submission to the Development of the 10 Year National Housing & Homelessness Plan, October 2023*.

#### **Recommendation:**

The Commonwealth Government promote and encourage the establishment of Functional Zero programs across Australia to provide a national coordinated service delivery and housing allocation approach to addressing homelessness (rough sleeping) need.

## 2. What short, medium, and long-term actions can governments take to help prevent homelessness or to support people who may be at risk of becoming homeless?

Local initiatives have demonstrated that homelessness can be prevented and, if occurring, ended sooner through:

- Integrated and securely funded programs.
- Early and comprehensive identification and rapid housing linked to people at risk of becoming homeless, such as people facing housing stress (mortgage and rental).

While specialist homelessness services are an effective way to deliver crisis and ongoing support, they cannot deliver the entire response. Mainstream services are crucial in being upskilled and prepared for early intervention responses, such as having referral links and skill in framing the issue so people at risk are not feeling too shamed to raise their concerns.

## 3. How can the homelessness system more effectively respond to those at risk of, or already experiencing homelessness?

### a. How can the homelessness system ensure those at risk of homelessness or in crisis receive appropriate support to avoid homelessness or so they are less likely to fall back into homelessness?

Key Issues that have come from our work in implementing the City of Port Phillip's Homelessness Action Strategy are the need for:

- Enhancing community awareness and understanding of homelessness.
- Accommodation, particularly crisis and transitional accommodation, but also continued replenishing of long-term affordable housing due to the significant loss of private rental over the past decade.
- More integrated services to assist people to sustain housing once secure accommodation has been found and to have greater opportunities to participate in their community.
- Research and implementation of prevention and early intervention programs, particularly within mainstream services to alert when individuals and families are in housing stress at risk of losing their housing and becoming homeless.

- Greater connection between mainstream services and a range of homeless services and housing providers.
- Preventing further trauma and illness after research has previously found that 66 per cent of people experiencing homelessness had developed a substance use problem and 53% had developed a mental illness after they became homeless. (Chamberlain, Johnstone & Theobald *Homelessness in Melbourne: Confronting the Challenge*, Centre for Applied Social Research, RMIT University 2007).

### b. What actions can governments take to facilitate early intervention and preventative responses?

The CoPP considers that the key action governments should take to address homelessness is to implement a 'Housing First' approach. It places people experiencing homelessness directly into permanent and safe housing with 'wrap around' support services to address complex needs such as mental health and alcohol and drug support. This differs from the traditional approaches which place people in short term crisis accommodation until they were 'stabilised' and then into housing.

The Australian Housing and Urban Research Institute Housing (AHURI) report examined USA Housing First programs and found that they were successful in retaining accommodation for those people at risk of homelessness (Rowley, S., and Ong, R. (2012) *Housing affordability, housing stress and household wellbeing in Australia*, AHURI Final Report No. 192, Australian Housing and Urban Research Institute Limited, Melbourne) <https://www.ahuri.edu.au/research/final-reports/192>.

A longitudinal study of 225 people in the USA compared the outcomes of those using traditional services and those using a Housing First program. The research found that 88 per cent of those in the Housing First program retained their housing for two years compared to 47 per cent in the other programs.

The CoPP supports the three approaches outlined on page 35 of the *National Housing and Homelessness Plan - Issues Paper*:

- A responsive and coordinated service system.
- The importance of early intervention.
- Applying a Housing First approach.

#### Recommendation:

1. **The National Housing & Homelessness Agreement reviews its policies and programs to rough sleeping to ensure that a Housing First approach to solving rough sleeping is properly implemented**, reflecting the fundamentals of placing people directly into housing with wrap around support. This will necessitate sourcing an adequate supply of housing to match the investment which the State has already made in assertive outreach programs. This would significantly reduce the number of people rough sleeping in Victoria over time.
2. **As part of this, more Common Ground social housing be developed in inner city municipalities beyond the current CBD facilities**, targeting people sleeping rough as a priority cohort. This would require sufficient ongoing, operational funding to enable 24-hour support at each site (as an example, refer to a planned Common Ground facility in Port Phillip in Section 3.2 (Homelessness Services), question 2).
3. **Encourage municipalities across Australia to introduction of a Functional Zero approach to addressing homelessness (rough sleeping)**, by establishing a 'By-Name List' across all inner metropolitan areas, and dedicated co-ordination of services to match people with housing and support. This could be achieved by creating a five-year program providing funding to municipalities wishing to establish Functional Zero programs (as an example, refer to the Port Phillip Zero program in the box below).

**4. Encourage States to allocate 500 units of social housing stock in each state in the first instance to the funded assertive outreach programs, so that a Housing First approach can genuinely be implemented.**

This could include requiring an amount of new housing developed under the Social Housing Growth Fund to be allocated to assertive outreach programs.

**4. How can governments capture better evidence on 'hidden' or 'invisible' homelessness (e.g. couch surfing, living in a car and overcrowding)?**

Homelessness service agencies operate as entry points for persons experiencing homelessness, and collect data and report to the State Government. There is no particular way to better capture hidden evidence of homelessness, as agencies do not door knock the community looking for hidden homelessness.

**5. Is the Canadian National Occupancy Standard measure of overcrowding, and the way it is applied in Australia to define homelessness, suitable for the Australian context?**

The City of Port Phillip supports the way the Canadian measure for overcrowding is included in the Australian definition of homelessness.

This is because overcrowding typically occurs in response to an inability to find secure, affordable and appropriate housing, and people are forced into overcrowded housing in order to live in a dwelling rather than experience other forms of homelessness, such 'couch surf', live in rooming houses, or temporary housing, of sleeping rough.

## 3.2 Homelessness services

### 1. What are the main challenges in addressing chronic and repeat homelessness?

In Port Phillip, the main challenges have been typical of most municipalities in Australia:

- A lack of affordable private rental housing, with less than 1% (0.6%) being affordable.
- Inadequate and ageing social housing (6.5% of total dwellings or 4,203 units), with long waiting lists

Over the past eight years of Council's *Homelessness Action Strategy - Think and Act*, the CoPP's Housing and Homelessness Service has worked with over a 12,00 people aged over 50 to assist them to apply for a range of housing and support, many experiencing homelessness for the first time in older age.

The CoPP has also directly assisted over 400 people aged 50 or more to move into social housing locally, most through the CoPP's nomination rights to 437 units in five public housing estates with older persons' units. These estates had cash or land contributions from the former Cities of Port Melbourne, South Melbourne and St Kilda in the 1960s and 1970s). Over 50 % of these people were long term residents on low incomes, mainly receiving Centrelink Jobseeker benefits for multiple years due to changes in being able to access to a Disability Support payment or an Age Pension. Nearly all were losing their private rental housing.

### 2. What housing or dwelling models may need to be considered to provide appropriate options for people experiencing chronic and repeat homelessness?

**The City of Port Phillip recommends widespread delivery of supported social housing using the Common Ground housing model.** Using a Housing First approach, this model has already proven successful in Australia and overseas, and features on-site support and services for those who have experienced homelessness (rough sleeping) with needs ranging from health and allied health issues to counselling, social skills, and income and employment support.

In Port Phillip, Council is supporting the delivery of a 26-unit Common Ground facility based on Housing First principles on Homes Victoria owned land in Wellington St, St Kilda, which had existing social housing that is no longer fit for purpose. This facility will provide supported social housing with on-site 'wrap around' support services provided in on-site facilities, under a partnership with Homes Victoria, and St Kilda Community Housing Ltd which will deliver the facility. Construction will commence in late 2023 and be completed in July 2025 (refer to details in Section 3.4, response to Question 10).

Delivery of the project will help address the level of rough sleeping in the City, which had increased post-COVID. This project will support Council's role in a coordinated service delivery response to rough sleeping, through allocation of dwellings to persons on the Port Phillip Zero program's By-Name List (refer to case study in Section 3.1, response to Question 1).

### 3. What are the medium and longer-term steps that can be taken to ensure we have a more consistent and coordinated service system to support people who are experiencing or at risk of homelessness?

Refer to the four recommended roles for government (Section 3.1, response to Question 3 b above).

### 4. What are the best specific early intervention approaches to prevent someone becoming homeless?

A holistic approach, across different sectors and all levels of Government, is required to address the scale of the affordable housing challenge; incorporating policy, funding/financing, innovative delivery models and supporting governance arrangements. In addition to the social housing system the planning system is an essential part of the solution and needs to be further strengthened to ensure more affordable housing is delivered on the ground. To this end:

- Affordable housing must be regarded as essential infrastructure - a point already recognised by Infrastructure Victoria with affordable housing listed as one of the State's three top priorities.
- It is vital that there are planning mechanisms that offer certainty for delivering new affordable housing.
- Bold intervention is required by the Federal Government in co-operation with State Governments. Current policy and mechanisms in Australia are not responding to the scale of the housing affordability crisis and this needs to be redressed without delay.
- There is an urgent need for the introduction of a mandatory state-wide planning mechanism, in addition to improving use of voluntary housing agreements (City of Port Phillip - Final Submission - Ministerial Advisory Committee on Planning Mechanisms for Affordable Housing Nov. 2019).  
[https://www.portphillip.vic.gov.au/media/gswomiab/copp\\_submission\\_to\\_mac\\_final\\_20-nov\\_2019.pdf](https://www.portphillip.vic.gov.au/media/gswomiab/copp_submission_to_mac_final_20-nov_2019.pdf)
- To address the decline in social housing and overall housing affordability, it is recommended that:
  - Develop and advocate for a holistic approach, across different sectors and all levels of Government, to address the scale of the affordable housing challenge; incorporating policy, funding/financing, innovative delivery models and supporting governance arrangements.
  - Commonwealth and State and Territory Governments continue to establish a dedicated funding streams to ensure a continual program of new social housing stock, upgrades and renewal of existing social housing stock, such as the Commonwealth's *Housing Australia Future Fund*, *National Housing Accord* and *Social Housing Accelerator*, and the Victorian Government's *Homes for Victorians* and *Big Housing Build*.
  - The level of investment provided through this funding stream, combined with other measures (e.g. changes to planning), would be sufficient to maintain social (public and community) housing levels in Victoria at 3.5% of total dwellings (refer to projected social housing shortfall in section 3.4, introductory response).
  - The Federal Government reach agreement with the State Governments for the capacity to use State planning systems in a consistent manner to deliver significant new social and affordable housing through a combination of:
    - **Enhanced 'value sharing' mechanisms** - where additional development yield above the nominated level is 'paid for' through the delivery of social and affordable housing, e.g. density bonus systems. For example, in Victoria these 'opt-in' models are available under the current system of Voluntary Planning Agreements.
    - **Inclusionary mechanisms** - mandated requirements for inclusion of a specified proportion of social and affordable housing within a development, or payment of a cash-in-lieu contribution to enable housing to be delivered elsewhere in the area.

5. In what areas of the homelessness service response are people who are experiencing or at risk of homelessness not getting the support they need?

People are not getting the support they need right across the system. People are 'turned away' from entry points, wait for months to access supported crisis accommodation, and wait for many years to access public or community housing.

6. How can the availability of accessible (particularly in relation to the physical environment) crisis and/or transitional accommodation be increased in the short to medium-term?

The City of Port Phillip does not have a response to this question.

7. What strategies can be used to build awareness of available services and supports for people who are at risk of homelessness or experiencing homelessness?

The City of Port Phillip does not have a response to this question.



## 3.3 Aboriginal and Torres Strait Islander housing

1. What are the main cultural, social and economic factors that must be considered by governments and providers (including ATSICCHOs) when considering how to improve housing outcomes for Aboriginal and Torres Strait Islander people? How can governments best work with communities and the Aboriginal community controlled housing sector to support better housing outcomes for Aboriginal and Torres Strait Islander people, including embedding the Priority Reforms of the National Agreement on Closing the Gap and promoting self-determination?

There are five approaches which may be considered to improve housing outcomes for Aboriginal and Torres Strait Islander communities:

### 1. Apply culturally sensitive approaches:

- Ensure that housing designs and locations respect the cultural traditions of Aboriginal and Torres Strait Islander people.
- Promote self-determination and foster a more inclusive culturally safe environment for community interaction, such as cultural gathering spaces, to accommodate extended family members and offer supporting services (housing, employment, healthcare) that can connect with families in culturally safe environments.
- Encourage housing services to collaborate with Traditional Owners and community members to incorporate cultural practices in housing design and construction, strengthening community trust.
- Governments and housing providers should invest in cultural competency training for their staff to increase their understanding of Indigenous cultures and histories.
- Establish cultural advisory groups consisting of Aboriginal and Torres Strait Islander community members and leaders to provide guidance on housing initiatives.

### 2. Use social co-design:

- Directly engage with local Aboriginal and Torres Strait Islander communities through cultural gatherings and working groups. Seek advice and input to ensure that housing solutions meet their cultural needs and aspirations. This will encourage and empower communities to make decisions about their housing solutions, ensuring they have the final say in designs, locations, and programs.
- Recognise the importance of family and community structures in Aboriginal and Torres Strait Islander communities. Housing should accommodate these structures and promote community cohesion.
- Consider education and employment pathways to enable social and economic participation. Having a cultural gathering space in or near the facility will provide a safe space for members to engage with services, offering opportunities for community members to learn skills in housing maintenance, construction, and management.

### 3. Improve economic impacts and develop employment opportunities:

- Ensure that housing solutions are affordable for Aboriginal and Torres Strait Islander households.
- Offer a mix of public housing, rent subsidies, and homeownership programs to accommodate the diverse economic circumstances of Indigenous households.
- Promote financial empowerment through skill development, job creation, and self-determination within communities to improve financial independence. This can be achieved by collaborating with Aboriginal and Torres Strait Islander organisations.
- Provide resources for community members to learn skills in housing maintenance, construction, and management.
- Create pathways for the employment of additional Aboriginal and Torres Strait Islander people in roles dedicated to community liaison.
- Stable, long-term funding for housing initiatives to provide continuity and certainty for communities and organisations.

- Establish programs such as cadetships, scholarships, and traineeships, which are to be mentored by respected Aboriginal leaders within the sector.

#### 4. Collaborate with Communities:

- Work in partnership with Aboriginal and Torres Strait Islander communities and organisations to develop housing strategies that support community-led solutions and initiatives.
- Provide resources and support to strengthen the capacity of Aboriginal and Torres Strait Islander community-controlled health organisations to become key stakeholders in housing initiatives.
- Establish co-design groups with communities to ensure that housing programs are tailored to the specific needs and aspirations of each community.
- Maintain ongoing open communication with communities, and health services.
- Implement monitoring and evaluation mechanisms to track the efficiency of housing programs and ensure they are achieving the objectives of the National Agreement on Closing the Gap.
- Recognise that change will take time and a continued commitment through long-term strategies. Housing improvements should be viewed as part of a long-term commitment.

#### 5. Involve young community members in the policy making process

- Engage and involve young members of the community in the policy making process. Youth voices are essential for creating housing solutions that address their unique needs and concerns.

#### Recommendation:

The Commonwealth Government consider the five approaches detailed in Section 3.3, response to Question 1 (listed above) when identifying ways to improve housing outcomes for Aboriginal and Torres Strait Islander people: 1. Apply culturally sensitive approaches, 2. Use social co-design, 3. Improve economic impacts and develop employment opportunities, 4. Collaborate with communities, 5. Involve young community members in the policy making process.

## 2. How can governments best work with communities and the Aboriginal community controlled housing sector to support better housing outcomes for Aboriginal and Torres Strait Islander people, including embedding the Priority Reforms of the National Agreement on Closing the Gap and promoting self-determination?

There are six approaches which may be considered to improve on how the government can work with the community-controlled housing sector to support better housing outcomes for Aboriginal and Torres Strait Islander People (refer to points 1 - 6 in the response to question 1).

By implementing these strategies, local government and Health services can continue meaningful collaboration, community empowerment, and self-determination, while also aligning housing initiatives with the Priority Reforms of the National Agreement on Closing the Gap.

## 3. How can governments ensure diverse Aboriginal and Torres Strait Islander voices are included in the development of housing and homelessness policies and programs?

To ensure that diverse Aboriginal and Torres Strait Islander voices are included in the development of housing and homelessness policies and programs, governments can take the six approaches outlined in the response to questions 1.

## 4. What are the ideal short, medium and long-term policies and programs government can pursue to improve the supply of housing for Aboriginal and Torres Strait Islander

people, including increasing the capacity and capability of ATSI CCHOs?

The City of Port Phillip does not have a response to this question.

## 3.4 Social housing

Research from early 2000 has shown that the housing market in Port Phillip is buoyant with demand for all types of housing outstripping supply, which has led to some of the most expensive prices in the country and affordability problems for households earning less than \$100,000 per annum.

As a result, Port Phillip has experienced decades of high housing stress; issues associated with housing in Port Phillip include changing demographics, community concern over the impact of residential development on neighbourhood character, and continuing unmet demand for crisis accommodation evident in the high daily turn away from existing services, the dramatic loss of local affordable private rental stock including private rooming houses, the under supply of transitional housing and the lengthy wait and for most on indefinite wait for social (public and community) housing.

Swinburne University estimates that to meet current and projected demand for social housing, Victoria requires the delivery of 30,800 new social housing dwellings by 2031 and 60,200 new social housing by 2051 would be required. To achieve this, an average of 3,000 new dwellings per year until 2031, and over 1,800 dwellings per year between 2031 and 2051 will need to be delivered (Burke, T, Quantifying the Shortfall of Social and Affordable Housing, T. Burke, Swinburne University of Technology, 2016 Paper to Inner Melbourne Action Plan Forum 31 August 2018).

### 1. What is the role of social housing for low-income Australians?

Social housing provides an essential safety net for very low and low-income households unable to have their needs met in the private rental market, because rents are unaffordable, or housing is not suitable, e.g. diverse in size or accessible to persons with a disability.

Over the last 10 - 20 years the housing affordability problem has deepened and broadened from affecting the lower 50 - 60% of the income range of residents in 1995, to affecting the lower 70% of the income range by 2015. This has impacted the ability for local businesses, agencies, and government to recruit:

- **Low-income wage earners** - such as cleaners, café workers, childcare workers, home and community care workers, and aged care workers.
- **Moderate-income households** - including key workers such as nurses, teachers and police.

The City of Port Phillip has experienced two decades of private rental affordability no longer existing anywhere in our municipality - an extremely significant issue for our long-term low- income households. This has resulted in low and very low-income households, and increasingly moderate-income households either becoming homeless, living in substandard housing, or attempting to relocate to outer suburban locations where:

- **Locational accessibility is poor** - limited social connections, and access to public transport, support services and employment opportunities.
- **Housing variety is limited to non-existent** - poor variety of housing diversity to cater for differing household types and sizes.

As social housing levels are inadequate for very low and low-income households, and moderate-income households are largely ineligible for social housing, this highlights the importance to both increase the levels of

social housing in Australia, and to develop a viable private affordable housing sector, to provide greater housing choice and lessen the reliance on government funding for social housing.

## 2. What factors should state governments and housing organisations consider when allocating social housing?

Over many decades, the public housing system across Australia has been ‘residualised’ through being targeted away from low and moderate-income households, including working households, to targeting very low and low-income households with the greatest needs, most of whom are reliant on Centrelink income and many of whom have support needs. This has reduced rental income and increased management costs.

Together with an underinvestment in maintaining ageing public housing buildings, this has undermined the viability of State public housing systems, and made estates not reflective of community diversity and no longer fit-for-purpose.

This can only be solved by broadening eligibility for public housing to include lower moderate income households, including low income wage earners and key workers, and redeveloping public housing estates to include a greater diversity of household incomes and types, and housing tenures, while increasing the yield of social and affordable housing units in the process.

Council does not have a position on public housing eligibility. It is actively working with the Victorian Government’s Homes Victoria in the redevelopment of two public housing estates under its *In Our Backyard* strategy to increase the yield, diversity and quality of housing, where there is a clear social benefit (for current work, refer to Section 3.4, response to Question 10). This includes supporting the transfer of ownership and management of redeveloped estates to registered community housing organisations, which are more effective, responsive and efficient in managing social housing than public housing authorities.

## 3. How can governments ensure social housing is built in the right location (including close to amenities, environmental, socio-economic, current and future hazard risk and cultural factors) and will meet current and future needs of social housing tenants and the broader community?

Social housing in Australia should be generally developed in locations that are accessible to public transport, employment opportunities, and support services. Typically, areas with low levels of socio-economic disadvantage have the poorest access to these services and opportunities.

Social housing should be embedded in new communities when they are being planned and built, to ensure this is part of the fabric of the area from day one, instead of being priced out of new neighbourhoods once established. For example, in the Fishermans Bend Urban Renewal Area spanning parts of the Cities of Port Phillip and Melbourne, social and affordable housing is expected to be delivered by the private sector under planning controls, yet is required to be negotiated under voluntary planning (Section 173) agreements with developers over an extended period, after land values escalated from rezoning and introduction of high density development controls.

### **Recommendation:**

The Commonwealth Government work with State and Territory Governments to embed social and affordable housing opportunities early in the establishment of urban renewal areas before land values escalate, by setting aside land for dedicated social and affordable housing projects to be delivered by the community housing and private sectors.

## 4. What are the key short-term and/or long-term social and economic issues in social housing?

Refer to the response to questions 1 and 2.

## 5. What changes can be made to the current social housing system to improve outcomes for tenants and/or improve the efficiency and effectiveness of the social

## housing sector?

Refer to the response to questions 1 and 2.

### 6. What are the most-effective wrap-around supports required to support Australians in social housing to maintain their tenancies? Are there existing effective models that could be scaled up?

There are inadequate social support arrangements for public housing renters with high or complex needs.

Community housing organisations generally are effective in sub-contracting support services for their residents, and in some organisations are increasingly combining this with up-skilling their staff and using a dispersed model of support to individual households in their housing portfolios.

This provides a model for the undertaking of support services, and a rationale for the benefit of stock transfers or redevelopment of public housing estates, where tenancy management and support is transferred to community housing organisations.

In addition, the Journey to Social Inclusion (J2SI) program developed by Sacred Heart Mission, and the Melbourne Streets to Home (MS2H) program have both been evaluated as effectively providing wrap around support services to establish and sustain individuals in their tenancy. These programs need to be scaled up to enable this wrap around support for more people.

For persons with highly complex needs, such as persons who have experienced homelessness (rough sleeping), Council recommends use of the Common Ground housing model of supported social housing, based on Housing First principles.

Common Ground housing facilities target households with the very lowest income, who require the greatest level of support services, these facilities are not viable without government subsidy. This is illustrated in Diagram 1 (Spectrum of Housing Products). It is recommended that funding to States for housing support subsidies are included in the National Housing & Homelessness Agreement, to ensure States continue to provide subsidies that enable an increased supply of supported social housing to be developed.

#### **Recommendation:**

The Commonwealth Government ensure that the National Housing & Homelessness Agreement provides adequate operational subsidy funding to States and Territories for the provision of new supported social housing, such as Common Ground facilities, which target persons with high social needs, such as persons who were homeless (rough sleeping).

### 7. What future role should the community housing sector play in Australia and what initiatives and funding mechanisms would support this?

#### a. Are there any capacity and capability constraints impacting on future growth of the community housing sector?

Community housing organisations are increasingly becoming involved in community development roles, the development of community housing, and the delivery of specific type of social housing, such as public housing renewal (including mixed social, affordable and private housing) and supported social housing (e.g. Common Ground facilities) targeting groups such as rough sleepers or women and families escaping domestic violence.

Community housing organisations offer significant benefits over state housing authorities in efficiency (including tax benefits), and effectiveness and responsiveness to tenancy and asset management functions. This makes community housing organisations suitable delivery partners for public housing renewal projects.



While community housing organisations are not funded to provide high level housing support services, some organisations are upskilling their staff to increase housing support on a limited level under a dispersed support arrangement over their housing tenancies.

For community housing organisations to provide complex, high level housing support in a viable manner, the funding model would need to change to include operational subsidy funding enable community housing organisations to support people with complex or high levels of need to establish and sustain their tenancies.

**Recommendation:**

The Commonwealth Government provide specific operational funding subsidy under the National Housing & Homelessness Agreement for community housing agencies which primarily focus on providing support services to their individual community housing residents who have complex, high needs, who otherwise would be unviable to house.

## 8. What changes to community housing regulation could improve outcomes for tenants, the community housing sector, governments and investors?

The City of Port Phillip does not have a response on this question - this should be guided by responses from registered community housing organisations.

## 9. Do current regulatory approaches support future growth in the community housing sector?

In Victoria there is a requirement for 75% of allocations to housing on State land or which has State funding to be taken from the Priority Access category one of the Victorian Housing Register, i.e. allocating to persons who are:

- Homeless and receiving support.
- Receiving individual assistance via aged care, disability, ABI, mental health or children and young person's programs.
- In insecure, inappropriate or unsafe housing, or have an urgent medical need.
- Over the age of 55 years and not eligible under one of the other priority categories.

This requirement is important to ensure that community housing organisations housing persons who have the greatest need.

However, for organisations which focus on housing these persons, the income received in rent (25% of income plus Commonwealth Rent Assistance) is insufficient to be viable, as Centrelink incomes have not kept up with the inflation of operating costs, such as staffing, maintenance, insurance and utilities. This creates marginal businesses.

In Victoria, larger community housing organisations, such as many registered Housing Associations, manage this through cross-subsidisation from income from charging rents at 30% of income, and housing some moderate-income households where rents do not exceed 75% of market rent. However, this is not possible for organisations that exclusively target very low and low-income persons with the greatest needs, such as many registered Housing Providers. This is an issue that the Commonwealth could address through a consistent national approach to funding under the National Housing & Homelessness Agreement.

On other regulatory issues, the City of Port Phillip does not have a response on this question - this should be guided by responses from registered community housing organisations.

Refer to the recommendation to Question 9.

## 10. How can governments and their partners best grow social housing stock?

The capacity of Local Government to form partnerships and / or make cash or land contributions to increase the supply of social housing would vary across Australia, from municipalities which do nothing, to organisations which have established policy and programs.

The City of Port Phillip has been actively involved in many partnerships with the State Government and community housing organisations over a 38-year period. This exemplifies the capacity of local government to be a serious partner and participant in addressing the housing crisis in Australia at the local level.

Some of the achievements of this role are summarised below:

- **A policy framework supporting Councils affordable housing roles** - comprising the Council Plan, a municipal Housing Strategy (currently being renewed), a homelessness strategy, *Think & Act - Homelessness Action Strategy 2015 - 2020* (currently extended in use) and an affordable housing strategy, *In Our Backyard - Growing Affordable Housing in Port Phillip 20015 - 2025*.
- **Delivery of 806 units of community housing** - through various roles over a 38-year period (1985 - 2023): direct provision when Council was a developer of community housing between 1985 - 2006, direct cash and land contributions to the Port Phillip Housing Trust and other partners between 2005 - 2023, use of negotiated planning agreements in the Fishermans Bend Urban Renewal Area, and project facilitation and brokerage.
- **Contribution of \$60.5M in cash, land and transferred Council housing project value** - to the Port Phillip Housing Trust between 2005 and 2023, which Council established in 2005 - 2007 to grow local community housing (refer to the Kyme Place and Marlborough Street project examples below).
- **Contributing to a Common Ground supported social housing project** - a recent contribution of \$4.755M and a surplus lane to a project to house persons who were homeless (rough sleeping) being delivered by St Kilda Community Housing (refer to the Wellington St project outline below).
- **Supporting public housing renewal projects** - Homes Victoria's redevelopment of two public housing estates in Port Phillip, including a \$30,000 contribution to a masterplan for the redevelopment of the Emerald Hill Court Estate in South Melbourne (refer to outline below).

Some recent project examples comprise:

- **Contribution of land / air space for the development of community housing** - such as contribution of air space over replacement public car parks, which is a housing model pioneered by the City of Port Phillip with the 'Woodstock' project in Balaclava developed by the City of Port Phillip, e.g:
  - **Kyme Place, Port Melbourne** - Council contribution of air space (\$2.45M value) to a project developed by HousingFirst under the Port Phillip Housing Trust in 2012, comprising a 27-unit community housing project and replacement public car park, targeting single persons. This partnership included the former Department of Housing & Human Services (refer to photo below).
  - **Marlborough St, Balaclava** - Council contribution of a 1,800 m2 car park (\$5M net value) to a project developed by HousingFirst in 2023, comprising a 46 unit community housing development and replacement basement public car park, targeting families, older persons and persons with a disability. This partnership included Homes Victoria (refer to photo below).



Kyme Place community housing, Port Melbourne (Source: City of Port Phillip)



Marlborough Street community housing, Balaclava (Source: HousingFirst)

- Wellington St, St Kilda** - Council initiation of this project, and contribution of \$4.755M cash and a surplus lane (\$365K value) to the delivery of a 26-unit Common Ground facility (supported social housing) on Homes Victoria land, targeting persons experiencing homelessness (rough sleeping). This is being delivered by St Kilda Community Housing in partnership with Homes Victoria - commencing construction late 2023.



Wellington Street Common Ground project, St Kilda (Source: St Kilda Community Housing / Shaw Architecture)

- Emerald Hill Housing & Health Precinct Masterplan** - Council contribution of \$30,000 towards preparation of this masterplan for the redevelopment of the Emerald Hill Court public housing estate, South Melbourne, in partnership with Homes Victoria. The masterplan is in the process of being developed.



Emerald Hill masterplan site, South Melbourne (Source: City of Port Phillip)

### Recommendation:

That local government be a represented partner to involve in governance structures associated with implementation of the final National Housing and Homelessness Plan, in association with other partners such as State and Territory Governments and the private sector.

### 11. How can social housing providers better support people with complex needs (such as people with disability, people from culturally diverse backgrounds and people with mental health, alcohol and other drug issues)?

Refer to response to section 3.4 (Social Housing), question 7.

### 12. In a multi-provider system which includes public and community housing, how can governments and housing organisations ensure that people in most housing need or with complex needs can access housing?

In the case of Victoria, prioritisation of allocations from the Victorian Housing Register should be given to people who are registered under the 'Homeless with Support' category, to ensure people spend less time homeless. Wrap around support by programs like Melbourne Streets to Home and the Journey to Social Inclusion should be available to support the transition into housing and sustaining the tenancy.

### 13. What significant issues within the social housing sector lack sufficient quality data to inform decision-making?

Since 2022 Homes Victoria has been providing housing data dashboards to all municipalities, providing comprehensive data on social housing and housing affordability. <https://www.portphillip.vic.gov.au/media/1ctoh5ol/city-of-port-phillip-housing-data-dashboard-may-2023.pdf> This has been very helpful to assist the City of Port Phillip with implementing its *In Our Backyard* strategy.

However, almost no data exists on private affordable housing, as this sector is nascent, not regulated, and there is no method of monitoring the amount of affordable housing. In Victoria, City of Port Phillip officers are



assisting the development of a proposed 'Affordable Housing Register', which was initiated by Housing All Australians, and being created by PEXA with involvement of Homes Victoria and other parties. This aims to provide a publicly accessible data base on affordable housing voluntary planning agreements with the private sector, capable of measuring the quantum of private affordable housing in Victoria. Subject to its effectiveness, this may extend to being a tool available to be used across Australia.

## **Affordable housing**

1. How can governments encourage delivery and availability of affordable housing in the short, medium and long-term? How can governments partner with institutional investors to support more housing development (particularly affordable housing)?

Refer to the response to question 3.

2. How can governments work with institutional investors to support more housing development (particularly affordable housing)?

Local government has no role in working with institutional investors in increasing the supply of affordable housing, as it is a role beyond the capacity of local government, unless it has large land holdings in high land value areas able to be developed with institutional funding.

3. How can all levels of government incentivise affordable, resilient housing options in new builds, and affordable retrofitting for existing housing?

As outlined in the Introduction to this submission, new private affordable housing products are required to provide greater housing choice, to address the deepening and broadening of the housing affordability crisis, in particular to moderate income households who are ineligible for social housing, and introduce new investors into the housing supply system to reduce demand for and reliance on government funding of social housing.

The private sector is particularly interested in delivering 'build to rent' housing. However, almost all build to rent housing is unaffordable, as it rents for a premium to attract permanent renters looking for an alternative to home ownership by providing more extensive facilities and services.

To encourage genuinely affordable build to rent housing, incentives will be required to subsidise discounted rent targeted at low and moderate-income households. Any incentive will be lower than government subsidies for social housing, as private affordable housing primarily targets moderate income households, as illustrated by diagram 1.

### ***Commonwealth Government***

The Commonwealth Government should consider introduction of a taxation incentive (credit) targeting private developers or their investors who provide affordable rental housing to low-income households.

In contrast to tax reform associated with negative gearing or capital gains tax, which is politically sensitive, such a credit incentivises private sector delivery of affordable build to rent housing. In the USA, this has been successfully achieved over the last 50 years under the 1986 Tax Reform Act, by the Low-Income Housing Tax

Credit (LIHTC), which has been the largest contributor of affordable rental housing in the USA, and has received bi-partisan support over this period (refer to details in the box below). Introduction of such a tax incentive could potentially be attractive to institutional investors, such as superannuation funds, which typically finance build to rent development.

Case study:

### **The US Low Income Housing Tax Credit**

The LIHTC operates as follows:

- The Federal Government issues tax credits to State and Territorial Governments. State housing agencies then allocate the credits to private investors to obtain project funding. This consists of a dollar-for-dollar credit offset against their Federal tax liability over a 10-year period to enable them to reduce the rent to eligible tenants.
- The housing asset is privately developed, owned and operated—privately financed through lenders and equity investors, and privately managed by developers from both the non-profit and for-profit sectors.
- Developers generally sell the tax credits to investors, who may be better able to use the credits, to reduce funds required to be borrowed to complete projects, e.g., depreciation, interest paid, net operating losses.
- Eligibility is based on meeting tenant income tests, based on a proportion of area median income, and gross rent not exceeding 30% of either 50 or 60% of area median income. Developers must comply with the income and rent tests for 15 years, with the period able to be extended to 30 years.
- The credits are claimed once projects are tenanted.
- Congress sets a limit on the amount of the LIHTC that can be allocated per year to States and Territories based on dollar amounts per capita.

For further information go to:

[What is the Low-Income Housing Tax Credit and how does it work? | Tax Policy Center](#)

[Lessons from the USA: tax incentives to encourage long-term investment in the low-income housing market | AHURI](#)

[Low-Income Housing Tax Credit \(LIHTC\) | HUD USER](#)

The Housing Australia Future Fund, including the National Housing Accord and the Social Housing Accelerator, provide a significant opportunity to increase the supply of social and affordable housing.

The eligibility criteria for the funding programs state:

*Dwellings are to be owned and managed by a CHP [Community Housing Provider] or State/Territory, local government or potentially an ACCO [Aboriginal Community Controlled Organisation] at completion.*

It is important for the Commonwealth Department of Social Security to enable developers of genuinely affordable build to rent housing to be eligible for grant funding contributions towards part of the capital cost of projects under the Housing Australia Future Fund - the targeted 10,000 affordable housing units targeting frontline pandemic workers.

This grant allocation would need to strictly apply only in specific circumstances where there are sufficient safeguards for the maintenance of affordability.

For example, the City of Port Phillip is working with a developer who has purchased a property in Port Phillip specifically for the construction of a six-level building, and wishes to seek a grant contribution towards the inclusion of:

- Low-income units managed by a registered community housing organisation.
- Affordable housing for low to moderate income nurses.
- Specialist Disability Accommodation (SDA) units for persons on National Disability Insurance Scheme (NDIS) packages.

The developer's planned affordability safeguards comprise:



- **Duration of housing affordability** - maintenance of the affordable housing for a 40-year period, secured via a section 173 Agreement under the Victorian Planning & Environment Act (registered on title) and / or Funding Deed with the grantor.
- **Legal mechanisms** - entering into a Funding Deed with any grantor party, the section 173 Agreement referred to above, and any associated legal mechanism to secure the government's grant interests, e.g. caveat.
- **Annual monitoring and reporting** - of the maintenance of the affordable housing by a registered community housing organisation, such as affordable rent levels, household income ranges, and household types, and the provision of an annual report to the developer, the grant funding program, any local government facilitating the affordable housing.

It is important that eligibility criteria can include genuinely affordable private rental housing that has sufficient safeguards for maintaining affordability.

### **State Government**

Under the proposed scheme similar to the US LIHTC (refer to the role of the Commonwealth Government above), States may have the role of allocating the tax credits to developers or their investors who provide affordable rental housing to eligible households. This will depend on the model for a tax incentive that is considered by the Commonwealth Government.

As discussed in the role of the Commonwealth Government above, an additional role of States is for State housing authorities, in collaboration with Commonwealth Department of Social Security staff, to enable developers of genuinely affordable build to rent housing to be eligible for grant funding contributions towards project capital costs from the Housing Australia Future Fund, under the targeted 10,000 affordable housing units targeting frontline pandemic workers.

This grant allocation would need to strictly apply only in specific circumstances where there are sufficient safeguards for the maintenance of affordability.

### **Local government**

Municipalities can have a role in facilitating and brokering affordable build to rent housing through:

- Identifying interested developers and property opportunities.
- Assisting developers model the affordability of the housing.
- Linking developers with State or Federal grant programs.
- Assisting developers through the planning process to maximise yield in appropriate locations.

#### **Recommendation:**

- **The Commonwealth Government** investigate establishment of a tax incentive, similar to the US Low Income Housing Tax Credit, which can achieve the following benefits:
  - Leverage private sector capital investment (cash and land) in the provision of affordable private rental housing.
  - Reduce reliance on government funding for social and affordable housing.
  - Incentivise the emerging build to rent housing typology where it genuinely provides affordable housing.
  - Provide mixed income housing to cater for the full spectrum of housing need (low, moderate and market housing).
- **State Governments** work in collaboration with the Commonwealth Government to investigate a State role in the establishment of a tax credit scheme, including allocating affordable housing tax credits to eligible developers or their investors.

- **Commonwealth and State Governments** identify ways to ensure that developers of genuinely affordable build to rent housing can be eligible for Housing Australia Future Fund grants under its affordable housing component, through flexible eligibility criteria, where there are sufficient safeguards to maintaining affordability (i.e. not requiring ownership and management by registered community housing agencies).
- **Local Government** be encouraged by the Commonwealth and State Governments to identify any private sector parties and property opportunities interested in providing genuinely affordable build to rent housing, and facilitate or broker their project opportunities under the affordable housing component of the Housing Australia Future Fund.

## 3.5 Housing costs, home ownership and the rental market in Australia

### 1. What should the most important (long-term) and/or immediate (short-term) housing market policy focus be, across all levels of government, over the next 10 years?

The now permanent lack of home ownership affordability is having a significant flow on effect across other housing sectors: purchasers unable to afford their mortgages, or unable to enter into home ownership, are being forced to permanently rent in the private market.

This is placing upward pressures on an already unaffordable private rental market with low vacancy rates, forcing renters into greater housing stress. This in turn is increasing demand for social housing, which the social housing sector is unable to meet.

Ultimately this 'chain reaction' is increasing homelessness.

There are no simple panaceas to this profound housing system problem. Many different solutions and interventions are required to reduce this housing problem, without reliance on home ownership grants, which have an inflationary effect on housing prices, or housing supply strategies, which will take decades to address and will not directly provide models for affordable home ownership.

Australia also needs new housing tenure models, as the traditional housing and land package is no longer affordable for a large proportion of Australians. One new tenure model is to promote the potential of **Community Land Trusts** (refer to case study below).

Case study:

### **The establishment of Community Land Trusts in Australia**

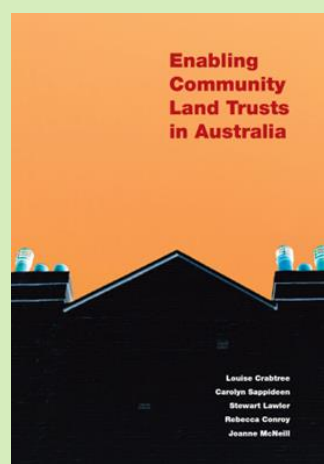
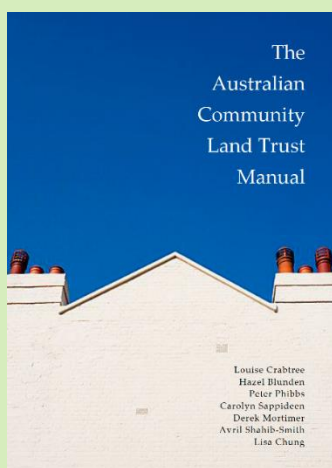
CLTs, as a form of shared equity housing, create perpetually affordable home ownership by remove the underlying land value otherwise included in the traditional house and land package, as the land remains in the ownership of a CLT entity (say a newly created CLT, or a host community housing organisation).

Purchasers only purchase the built improvement to the land ('bricks and mortar', or an equivalent applicable to dwelling lots in apartment buildings), and pay the CLT a 'ground lease', and in return enter into an agreement on a future resale formula limiting capital gain to a particular benchmark, such as CPI increases.

CLTs convey most of the benefits of home ownership, such as enabling the home ownership rights to be transferred through inheritance, and have been very popular in the UK and USA in providing an alternative choice to households unable to enter the home ownership market.

A critical benefit of the CLT model for governments is that the affordability is not lost to the first generation of purchasers due to the resale formula. This strengthens the ability for governments to either promote or even subsidise or fund CLTs, as the affordability is perpetual.

CLTs are yet to be established in Australia, however, there are several organisations in Australia considering establishing CLTs. Two manuals on how to establish CLTs in Australia were prepared in 2012 and 2019 by the University of Western Sydney in partnership with the City of Port Phillip and other partners.



[https://www.westernsydney.edu.au/\\_data/assets/pdf\\_file/0006/600567/Australian\\_CLT\\_Manual.pdf](https://www.westernsydney.edu.au/_data/assets/pdf_file/0006/600567/Australian_CLT_Manual.pdf)

<https://arena.org.au/product/enabling-community-land-trusts-in-australia/>

In addition, the Australian Housing and Urban Research Institute (AHURI) has identified the CLT model as being relevant and suitable for aboriginal organisations on aboriginal land. This AHURI report can be found at the following link:

[Community Land Trusts and Indigenous communities: from strategies to outcomes | AHURI](#)

A role for the Commonwealth Government could be to promote the benefits of the CLT model and current research on how they could be established in Australia.

A further role for the Commonwealth Government could be to address a definitional constraint that may slow the establishment of a CLT sector in Australia. For example, the NSW based community housing organisation, Bridge Housing, wishes to establish a CLT, but is being assessed by the Australian Securities Investment Corporation (ASIC) as a Managed Investment Scheme due to its ongoing role in being the CLT lessor for leases which can be inherited.

**Recommendation:**

- The Commonwealth Government promote the Community Land Trust model for perpetually affordable home ownership, as one model for addressing the increasing lack of affordability for home purchase in Australia.
- The Commonwealth Government work with the University of Western Sydney and the Australian Securities Investment Corporation to distinguish CLTs from Managed Investment Schemes, to assist with accelerating the establishment of a CLT sector in Australia.

**2. How can the utilisation of existing properties be improved? How can governments incentivise improved utilisation of existing properties?**

The City of Port Phillip does not have a response to this question.

**3. How do supply, demand and affordability challenges differ in urban and regional/remote areas? How could these differences be taken into account when designing policy?**

The City of Port Phillip does not have a response to this question.

**Home ownership**

**4. How can the use and release of land encourage residential growth in well located areas (i.e. close to infrastructure, jobs and services, and resilient to natural hazards) in the short, medium and long-term?**

Well located housing in released urban greenfield sites is relevant to all housing tenures. This should include planning for:

- Mixed low, medium and high-density housing typologies.
- Mixed housing tenures (social, affordable and private market housing - both rental, e.g. build to rent and home ownership).

While greenfield land development is not relevant to inner urban municipalities, such as the City of Port Phillip, as a general rule the following processes should be undertaken for structure or master planning of urban growth areas:

- **Housing density** - have a supply of land available that is zoned to be released when market demand for low, medium and high-density housing exists. Locate higher density housing close to activity centres and public transport.
- **Housing tenure** - identify sites required for community housing, affordable housing, and private market housing. Local government has a role in facilitating development of community and affordable housing with the community housing and private sectors.

In established 'middle ring' suburban areas, encourage 'greyfield' site redevelopment through consolidation of lots to achieve higher density in-fill housing, such as is occurring in the Melbourne based City of Maroondah with advice from Swinburne University of Technology <https://yoursay.maroondah.vic.gov.au/gtg1>

**5. Are there ways to improve supply chain issues to support more efficient housing supply and reduce building costs?**

The City of Port Phillip does not have a response to this question.

## 6. What role can housing by design play in improving housing supply and affordability?

The City of Port Phillip does not have a response to this question.

### Rental Properties

## 7. How can flexibility, accessibility (particularly in the physical environment), affordability and security be improved in the rental private market, particularly for low-income earners?

The inability for a large proportion of aspiring homeowners to now afford home ownership, and the growing proportion of Australians forced or choosing to permanently rent, requires a range of solutions to creating access to affordable and appropriate private rental housing:

- Incentivising the private sector to provide genuinely affordable build to rent housing targeting low and moderate-income households, via establishment of a tax credit program similar to the highly successful and long-lasting US Low Income Housing Tax Credit. (for details refer to Section 3.4, Affordable housing, response to question 3 above).
- Incentivising long-term private rental housing leases of 5 - 10 or more years, e.g. through tax deductions.
- Introducing uniform, strengthened tenant rights under rental leases, similar to as is being introduced in Victoria under its Housing Statement, September 2023.

## 8. Are further wrap-around supports required to support vulnerable Australians in the private rental market to maintain their tenancies? Are there any examples of effective models that could be scaled up?

In Victoria, the Private Rental Assistance Program (PRAP) is a preventative intervention service that provides holistic support to households in private rental housing who are experiencing or at risk of homelessness. Guidelines on running PRAP programs for service agencies are provided by the Victorian Department of Families, Fairness and Housing (formerly DHHS), which aims to prevent or end homelessness and housing crisis by:

- Rapidly rehousing people capable of sustaining private rental after initial support.
- Supporting at risk households to sustain affordable and appropriate housing in the private rental market.
- Assisting people who currently live in crisis, transitional or social housing to become independent in the private rental market.

Refer to <https://fac.dffh.vic.gov.au/sites/default/files/2019-11/PRAP%20Guidelines%20revised%202019.pdf>

Examples of two agencies running effective PRAP programs are Launch Housing and St Vincent Care:

[Private Rental Support \(launchhousing.org.au\)](https://launchhousing.org.au)

[Private Rental Assistance Program | VincentCare](#)



## 3.6 Planning, zoning and development

### 1. To what extent is the supply, affordability and diversity of houses affected by planning and zoning regulations and administrative processes?

The scale of the housing affordability crisis in Australia is so deep and broad that it will require the combined efforts of all levels of government, and the private, community housing, and philanthropic/charitable sectors to address it.

Only a combination of significant investment in social housing, together with mandatory planning mechanisms and a strengthening of voluntary planning agreements with the private sector will have any possibility of beginning to address the scale of the crisis.

### 2. How can planning and zoning regulations effectively increase the supply of land in well-located areas taking into consideration current and future hazard risk?

#### Support local government to plan for future housing that is resilient to climate change

Climate change poses significant environmental, economic, and social impacts to the people of Port Phillip and Australia. Inner city council like CoPP are designated for urban intensification. Yet, many areas in our municipality are vulnerable to:

- Rising temperatures, which will result in increasing levels of heat-related health stress and deaths.
- Rising sea levels that will affect much of Port Phillip, with 45 per cent of CoPP being under 3 metres above sea level.
- Increased erosion of the foreshore due to an increase in the number and intensity of storm surges.

Given this vulnerability, councils like CoPP need greater support to prepare localised adaptation plans. Traditionally, inner urban councils like CoPP have not been the focus of state or regional coastal management strategies. As a result, a significant knowledge gap exists:

- What will future development look like in flood-affected areas?
- What infrastructure will be needed, and who will pay for it?
- At what point should flood-prone areas avoid further development?
- Who is responsible for making decisions?
- What are the consequences of designing for flooding?
- How does flood-resilient design at the ground level interact with other elements, such as passive surveillance, car parking, heritage retention, footpath activation, and walkways?

The level of complexity requires all levels of government work together to fully understand the risks and develop a long-term strategic response to adapt and protect Victoria's coastline. The Victorian Government should have a more defined role in leading a coordinated and strategic regional response to coastal management and protection. Planning responses need to account for protection of local character, heritage, environment, and amenity, not just housing supply.

#### Recommendation:

The Commonwealth Government undertake a national coordination role to:

- Ensure States and Territories, such as the Victorian Government, have a more defined role in leading a coordinated and strategic regional response to climate change coastal management and protection.
- Ensure increased funding in local government initiatives to acquire scientific and practical knowledge that will directly support:
  - Preparation of local government update planning schemes to reflect climate change.
  - Review of strategic planning responses to elevated flooding risk due to climate change, including Identify areas for suitable level of growth in consideration of future climate risks.

- Development approaches for ongoing management of culturally significant and heritage places in risk-exposed locations.
- Extension of spatial mapping and hazard exposure modelling that will support decision making by practitioners.
- Improvement in the skills and capacity of local government practitioners to respond to climate change.

### 3. How can governments work together to be more responsive and flexible to housing demand pressures, both now and in the future?

#### 3.1 Support local government in place-based housing planning and implementation

Most of the housing is delivered by the property market, which is influenced by various locational and economic factors. Local governments do not control many drivers behind the market. For instance, we cannot control what gets built and when. Nevertheless, local governments do play a significant role in facilitating efficient housing market. In fact, local government is the only tier of government that:

- Undertakes a comprehensive review of the local housing needs and demand.
- Reviews land capacity, and land use priorities of their area to ensure that supply of land can readily meet needs and demand.
- Provides detailed guidance on how the need and demand should be met in terms of housing type, size, amenity, character, location, etc.

Often local government use Housing Strategies as a tool to strategically plan for, on a municipal basis, projected population growth over at least a 15-year period and provide clear direction on locations where growth should occur and what type of housing might be best suited for future needs.

Developing comprehensive housing strategies by local governments in a changing climate will require a significant amount of technical work. Many councils may not be able to afford the costs required for such sound strategic work, especially in rural and regional parts of Australia. Given the current economic climate, increasingly councils must operate with much tighter budgets. Therefore, it is crucial to support local governments in continuing to invest in sound strategic planning for future housing supply growth.

#### **Recommendation:**

The Commonwealth Government, using a national coordinating role, work with State and Territory Governments to encourage a uniform minimum national framework and the provision of financial support to local government to develop and implement robust Housing Strategies to increase housing supply, affordability, and diversity.

#### 3.2 Improve national and regional level housing planning and implementation that is integrated with other key policy areas: employment, immigration, climate change, etc.

At the macro level, Australia can benefit a national housing strategy that is more than a series of Commonwealth-State agreements regulating housing-related funding flows to the states. These multi-year agreements have focused solely on social housing and homelessness. Officers support a larger vision of how housing fits into the economic and social life of the nation. The new national housing and homelessness plan need to play a pivotal role in coordinating efforts between different levels of government. In addition, housing needs to be integrated with other policy areas, including employment, welfare, immigration, urban development, climate change, disability, and closing the gap.

At the regional level, there is no regional or metropolitan-wide oversight and coordination of where housing is delivered or what type of housing is delivered. This contributes to an undersupply of liveable housing close to

amenities, a lack of diversity in bedroom numbers and typology, and the provision of accessible and adaptable housing. Where there are provisions for the delivery of extensive housing, such as Fishermans Bend Urban Renewal Area which is earmarked to deliver 80,000 new residents and 80,000 new jobs, there is an

infrastructure gap at state and local government level to support this extensive delivery of dwellings, including the 6% would be delivered as affordable housing and an addition 1 in 8 dwellings above the dwelling density for the site would be delivered as social housing. This need is illustrated in the following news and media article available on Council's website - [Help us achieve a bright future for Fishermans Bend - City of Port Phillip](#)

To facilitate material change on the ground, officers support recommendations in the Urban Design Forum Victorian Planning Reform Positioning Paper (draft): Victorian planning reform: Re-framing urban design at the heart of liveability. In particular, officers support the need to establish clear targets (quantum, diversity, quality) that can be monitored, incentivized, and enforced. Officers support careful consideration to align the targets with demographic needs, as well as economic, and environmental needs.

Officers also support the recommendation that local governments should be given clear incentives to meet these housing targets. Within each local government area, policymakers and communities collaborate on where increased density is located, prioritizing housing close to public transport, open space, jobs, and services. This provides a social license for densification and takes the weight off the flashpoint of development assessment.

**Recommendation:**

The Commonwealth Government:

- Establish clear targets (quantum, diversity, quality) for State Governments that align with a forthcoming National Housing and Homelessness Plan, containing social, demographic, economic, and environmental indicators, which can be monitored, incentivised, and enforced.
- Incentivize local governments to meet these housing targets.
- Require State and Territory Governments to better coordinate, finance and deliver necessary social and physical infrastructure that supports housing growth targets, including targets for social and affordable housing.

**4. What is the role of state and local governments in the improvement of speed and/or transparency of development assessment processes to help improve supply of housing and the affordability of homes?**

Refer to the response to Question 8.

**5. How can the development assessment process address community concerns, so the length of appeals processes is minimised, and developers have an efficient path to resolve issues and gain approval?**

The development process in Victoria is a statutory process and dealt with at local government and state level. There is no role for the Commonwealth Government to address this issue.

**6. How can state and local governments improve accessibility (particular in the physical environment) through planning and zoning, for example, to ensure transport systems are accessible for the whole community?**

Refer to the response to Question 8.

**7. What key short, medium and long-term planning and zoning reforms could be explored in the Plan?**

**Support application of a mandatory planning mechanism, such as Inclusionary Zoning (IZ), in appropriate local government or regional areas across Australia, and require State Governments to work with local governments to implement this approach through amendments to the State Planning Provisions and Local Planning Schemes.**

Addressing the affordability crisis is complex and requires a cross government and cross sector approach. Historically, Port Phillip has made a strong and long-standing commitment to increasing the level of affordable housing available in the municipality. We are among the first councils in Victoria set up community housing reserve to direct fund social housing.

However, council's ability in applying planning tools to facilitate affordable housing is constrained by a voluntary planning framework here in Victoria. In Victoria, affordable housing can only be facilitated by the planning system through voluntary agreements. This means that we cannot impose mandatory request for affordable housing contribution from private development. This can create significant confusions and uncertainties for both council and landowners alike in terms of where, when, and how affordable housing should be required.

Navigating a voluntary planning system is not only perplexing for landowners but also extremely resource-intensive for council planners, community housing sectors, and developers. Months are often spent on negotiations without achieving a final outcome for affordable housing.

The City of Port Phillip (CoPP) has consistently advocated to the Victorian Government for the implementation of Inclusionary Zoning (IZ). This is a long-term strategy for planning and zoning reform. The City of Port Phillip supports Infrastructure Victoria's 30-year strategy, which recommends an immediate change and active application of planning rules to provide affordable rental housing for Victorians with very low incomes in areas earmarked for increased residential development.

Rather than each local council undergoing an arduous and costly process to amend their local planning schemes, it is imperative for federal and state governments to take the lead in establishing a nationwide framework for this mandatory system. Consistency is paramount for effective planning controls. Without such uniformity based on a national framework, private investment may shift from one local government to another and from one state to another.

It is important to emphasize that incentives are necessary to support this mandatory system. Achieving this requires a substantial increase in affordable housing funding. This increase will incentivize and support the private sector in developing affordable housing stock and enable the community housing sector to assume responsibility for the long-term management of affordable housing units. The City of Port Phillip (CoPP) has long advocated to the Victorian Government for the establishment of Inclusionary Zoning (IZ) and supported Infrastructure Victoria 30-year strategy which recommend to 'Immediately change and actively apply planning rules to provide affordable rental housing for Victorians on very low incomes in places re-zoned for more intensive residential use'.

Lastly, there is a need for a centralised, regulated system to ensure that affordable housing delivered in private developments remains affordable in perpetuity. This is important to facilitate innovative affordable housing products that are largely provided by the private sector without the public value being exploited, such as affordable build to rent, shared equity housing, rent to buy schemes, and key worker housing. Currently there is no effective, broad based approach to monitor and enforce affordable housing voluntary planning agreements, such as penalties for non-compliance. The Commonwealth Government can play a role in negotiating a national approach through National Cabinet which standardised requirements and provides consistency and certainty for the private sector and local government.

Delivery of affordable and social housing under voluntary planning agreements is also constrained by costly Owners Corporation fees under State Owners Corporation legislation, such as the Victorian Owners Corporation Act. This prevents setting affordable fees for community housing organisations, as this predetermines

requirements for future Owners Corporations. A national approach to States and Territories enabling affordable fees for social and affordable housing could address this issue, and encourage greater partnerships between the private sector and the community housing sector under voluntary planning agreements.

**Recommendation:**

The Commonwealth Government develop a nationwide inclusionary zoning framework that incorporates national, state and local affordable housing targets, which:

- Continue and expand affordable housing planning mechanisms across Australia aimed at facilitating affordable housing within private development.
- Develop a centralised system to ensure affordable housing facilitated via the planning system remains in perpetuity.

The Commonwealth Government develop a national approach to:

- Monitoring and enforcement of affordable housing voluntary agreements.
- Facilitating affordable Owners Corporation fees that encourages greater participation by community housing organisations to participation in owning and / or managing community or affordable housing under voluntary planning agreements.

## 8. What other reforms, beyond planning and zoning, can governments implement to improve the speed and efficiency of the supply of housing?

### 8.1 Supporting infrastructure provision in designated urban renewal areas

The following example of infrastructure provision in an urban renewal in the Cities of Port Phillip and Melbourne illustrates the shortcomings of infrastructure delivery:

In 2018, the Fishermans Bend Urban Renewal Area Framework was established, which outlined the open space, infrastructure and public transport connections that this area needs to be a future liveable community for 80,000 new residents and 80,000 new jobs. This included transport tram links, a community hospital, a school and open space.

The Fishermans Bend Economic and Transport Infrastructure Study (2018) identified early delivery of major public transport projects as a key factor in the success of Fishermans Bend; otherwise, the private sector will remain uncertain. This is why the delivery of tram stops and a station at Fishermans Bend is so important, particularly in the Wirraway precinct which will support a large number of resident and job growth by 2051.

However, to date there has been minimal progress on promised developments, many having been previously announced for completion by 2025.

The City of Port Phillip strongly recommends that the Commonwealth and the State Government increases funding to deliver necessary infrastructure that support community wellbeing and market uptake in Fishermans Bend, including projects such as the Light Rail and Metro Rail, key open spaces and key community hubs across Montague, Sandridge and Wirraway Precinct.

**Recommendation:**

The Commonwealth Government support State and Territories and local government to achieve designated infrastructure provision in designated urban renewal areas across Australia, such as the Fishermans Bend Urban Renewal Area, to support and accelerate housing development in urban renewal areas.

### 8.2 Role of state and local governments in the improvement of speed and/or transparency of development assessment processes

The discretionary nature of the planning system means the on-ground practitioners, from planners, council engineers to urban designers, etc. play a significant role in ensuring the good quality of development outcomes.

To improve the speed of development assessments without compromising on-ground outcome, councils require additional resources and staff. For instance, officers recommend government explore the development some funding program similar to the Streamlining for Growth Program administered by the Victorian Planning Authority (VPA).

The 'Streamlining for Growth Program' facilitated faster (and more cost-effective) permit ready delivery of employment and residential land across Victoria. The program will finish in 2023 after the allocation of around \$45 million to support over 350 strategic planning projects across Victoria since its inception. These initiatives offer fast track assessments while delivering sustainable development.

It is also crucial that council provides clear and practical guidance materials or decision guidelines to the developers upfront, facilitating communication between developers and planners, which can result in quality outcomes and faster assessments.

Officers support programs like Future Homes, a Victorian Government initiative that makes it easier to build sustainable and quality apartments, as the designs are ready-made and offer a streamlined planning process. Officers welcome funding and support for local government to take advantage of similar programs. However, it is important that local government practitioners play an active role in developing such development typologies that fit into the local context, contribute to local character, and maximize local benefits.

**Recommendation:**

The Commonwealth Government:

- Support local government in resourcing for fast-track planning processes to incentivise development that deliver community benefits, including but not limited to affordable housing provision, open space etc.
- Support local government in embedding good design into fast-track planning.

## 9. How can governments and other stakeholders (e.g. property developers) ensure that planning and housing decisions do not create or embed hazard risks?

The most relevant risk area in the development industry is adaptation to climate change (refer to response to Question 2).



## 3.7 The Impact of Climate change and Disasters on Housing Security, Sustainability and Health

### 1. How can governments improve housing and accommodation service coordination to better support individuals affected by hazards?

The Commonwealth Government could undertake a research project to ask communities, which have experienced displacement due to hazards, what would have supported them in the 24 hours, weeks and months after the event to access not only crisis accommodation but other services e.g. links to insurance (home, contents), food and clothing services, crisis counselling and other services needed. Using this information, they could better map requirements and what the different levels of government could provide.

There are four issues affecting renter support:

Firstly, during the COVID-19 pandemic, due to the Victorian State Government funding and extending the Homeless to a Home (H2H) program, many people were effectively and quickly able to be assisted into some type of accommodation, such as hotels, from a situation of sleeping rough, and later prioritised under the Emergency Management criterion straight into ongoing public or community housing.

Secondly, people living in rooming houses with shared kitchens and/or bathrooms were more often impacted more during the COVID lockdown, as they were unable to remain in a single room without accessing these amenities, as they were encouraged not to leave their rooms and the premises for up to 14 days.

Thirdly, due to Climate change and more extreme heat periods, insulation in housing is crucial. Some people on very low incomes and income support often are facing limited options of accommodation and are increasingly impacted with greater heat generated in rooming houses, as their living quarters are small and can experience poor ventilation and no access to air conditioning or ways of cooling the shared premises.

Lastly, the City of Port Phillip has a high proportion of private rental households. For many of the buildings they rent, their rental providers have no or inadequate building insurance for flood or fire risk, and hence there is no cover to relocate renters into alternative accommodation. In an emergency when renters are relocated by agencies as an immediate response, there is no longer term solution to coverage of the alternative cost of relocation.

#### **Recommendation:**

The Commonwealth Government undertake research into the immediate and longitudinal support required by individuals and communities after a hazard event, such as the COVID-19 Pandemic, or flood or fire disasters, and share this with States / Territories and local government disaster relief agencies. This research should include consideration of four issues:

1. The effectiveness of streamlined relocation programs assisting persons under State programs during the COVID pandemic, such as the Victorian From Homeless to a Home (H2H) program.
2. The impact of requirements for renters in rooming houses to isolate their rooms during the COVID lockdown, given that kitchens and bathrooms were communal spaces.
3. The impact of renters in private rooming houses during extreme heat events, given the poor ventilation or air conditioning they experience in rooming houses.
4. The lack of or inadequate building insurance coverage provided by many private rental providers to cover the cost of renter relocation during a hazard / disaster, such as a flood or fire.

### 2. How can governments support hazard resilient housing and housing modifications for new and existing housing, in particular within rural and remote locations that are more likely to be impacted by extreme weather events?

Planning policy updates are required to ensure all new construction and retrofitted housing are hazard resilient and consider climate impacts in design and construction. This is needed in all areas, not just rural and remote locations.

The City of Port Phillip, through their membership of the South East Councils Climate Change Alliance, has access to data that maps the intersection between climate change impacts and demographic information, allowing it to identify and target resilience campaigns to those considered most vulnerable in our community. Working with identified residents to complete housing modifications would enable a very targeted campaign. Councils do not currently have resources to do this. Governments could support this through a dedicating funding mechanism.

**Recommendation:**

The Commonwealth Government resource local government to work with their local communities to complete housing modifications which improve community resilience to extreme weather events.

### 3. How can governments better encourage the uptake of energy efficient housing modifications and design?

There are several processes for encourage the uptake of energy efficient housing modifications and design, including:

- **Uniform State and Territory planning policy updates** - are required to support energy efficient housing, such as the recent National Construction Code update to 7-star NatHERS and the State or Territory specific bans on new gas appliances (e.g. in Victoria to commence in January 2023). If improved environmentally sustainable housing designs were mandated within State and Territory planning schemes, this would help streamline the planning and building permit process.
- **Household incentives** - for existing homes, incentives should be offered to improve insulation, upgrade glazing, upgrade lighting, add shading and solar panels and batteries. Incentives are particularly needed for degasification of existing dwellings, such as electric heat/cooling, water heating and cooking.

**Recommendation:**

The Commonwealth Government undertake the following national coordination roles in the context of the current objective to accelerate the construction of new dwellings across Australia to meet the current and projected housing shortage:

- Encourage the states and territories to mandate uniform, improved environmentally sustainable housing designs within their planning schemes.
- Offer a national incentive scheme, such as tax rebates or grants, to households for improving energy efficiency, such as improve insulation, upgrade glazing and lighting, add shading and solar panels and batteries, and to degasify dwellings by conversion to electric heating / cooling, water heating, and cooking.
  - Special consideration is required for working with Owners Corporations in medium to high density housing, especially apartment towers, where there are specific challenges relating to building upgrades due to common areas and services, and the rules of each Owners Corporation.
  - The implementation of such a scheme could be supported by collaborative groups and alliances who have experience in delivery of similar large-scale programs, and to act as the trusted facilitator to coordinate how suppliers service those that need or request upgrades or degasification.
- Undertake public awareness campaigns to educate the public and developers about the need for energy efficient design, retrofitting and degasification initiatives.

- Undertake construction industry training on energy efficient design and dwelling degasification, and industry collaboration on new technologies that increase energy efficiency.
- Undertake continuous review of the National Construction Code through the Australian Construction Codes Board on regulatory updates required to meet changing environmental challenges.

#### 4. How can housing policies and programs support people who have been displaced due to climate disasters?

Support could be provided via:

- Rapid emergency accommodation and rebuilding timeframes.
- Rebuilding incentives to incorporate sustainable dwelling standards.

##### **Recommendation:**

The Commonwealth Government incorporate incentives into dwelling rebuilding after climate disasters to ensure that sustainable design standards are included.

#### 5. What options should be explored for improving the energy efficiency of rental properties?

Options for increasing the energy efficiency of private rental dwellings include:

- Incentives / rebates to be provided to landlord for energy efficiency upgrades and dwelling degasification.
- Provide assistance directly to tenants to undertake upgrades themselves, where landlords are reluctant to undertake upgrades.

##### **Recommendation:**

The Commonwealth Government, using a national coordination role with State and Territory Governments and Local Government, introduce an incentive scheme targeting both landlords and tenants to undertake energy efficiency upgrades and dwelling degasification.

#### 6. How can hazard resilience and thermal performance of housing in regional and remote locations be improved?

Refer to the response to Questions 3, 4 and 5.

