

# Establishing a 10-Year Strategy for Social and Affordable Housing

A discussion paper prepared  
for the Victorian community  
by the Victorian Government

COMMUNITY CONSULTATION PAPER



# Acknowledgement

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

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

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

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# Overview

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

## Introduction

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

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

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

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

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

There is an urgent need to ensure enough homes are available, in the right locations, that are accessible to all Victorians. From this foundation, all Victorians need to be able to access the health,

social and economic support they need to realise their full potential. A fundamental step change in policy and delivery is needed to embed the foundations for growth and sustainability of social and affordable housing in Victoria.

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

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

## What will the strategy do?

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

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

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

- What actions do you think are important to help us achieve the 10-year vision for social and affordable housing?

## PEOPLE AT THE CENTRE:

- What do you think we need to do to make sure we seek, hear and respond to people who need or use social and affordable housing?

## HOUSING PATHWAYS:

- What services or housing supports do you think people seeking and living in social and affordable housing need to help find and then keep a home?
- What do you think are the most important features of affordable housing? e.g. price, location, security of tenure, access to transport or daily amenities, connection to support services etc.

## COMMUNITIES:

- What do you think could help strengthen connections between local communities and social and affordable housing communities?
- What do we need to do to make sure social and affordable housing better meet the health and wellbeing needs of residents?

## GROWTH:

- What do you think are the best ways to stimulate growth in social and affordable housing?
- What do we need to do to ensure social housing meets the needs of people with specific support and housing needs?
- What do we need to do to support a well-functioning affordable housing system that provides rental and home ownership opportunities for those that need them?

## PARTNERSHIPS:

- Who do you think we should partner with to help achieve our social and affordable housing vision?

## What is in this discussion paper?

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

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

## HAVE YOUR SAY

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

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

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

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

## The importance of safe, secure and affordable housing

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

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

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

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

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

## About the social and affordable housing system

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

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

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



## What is the housing continuum?

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

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

### Public housing

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

### Community housing

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

### Affordable housing

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

Figure 1: The Housing Continuum



## Social housing as a safety net

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

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

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

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

## The need for a broader range of affordable options

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

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

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

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



## Vision

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

We want all Victorians to live in safe, secure and affordable housing that is well-located and within vibrant, diverse, resilient and inclusive communities.

We want people to live in houses that are built for the future; well-designed and environmentally sustainable.

We want social and affordable housing communities to be connected to transport, employment, education and other essential services.

We want people and families to be empowered to make decisions that affect their communities.

We also want people to be able to understand what housing options are available, be able to make choices about their housing, and access support when they need it.

## Principles

This strategy is underpinned by the following four principles:

### People at the centre

Social and affordable housing must be designed and delivered in a way that is responsive to the needs of different people, including those who face challenges in addition to affordability, such as disability, family violence or mental illness, as well as the broader community. We will understand the needs of the different people who need and use housing to ensure we respond appropriately.

### Shared action and accountability

We will work creatively and combine our strengths to get the best outcomes and value. An important part of delivering on this principle will be to develop capability and capacity in all of the organisations who play a role in planning and delivering social and affordable housing – across government, within the community housing sector, and with other housing stakeholders.

### Maximising value

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

### Sustainability

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

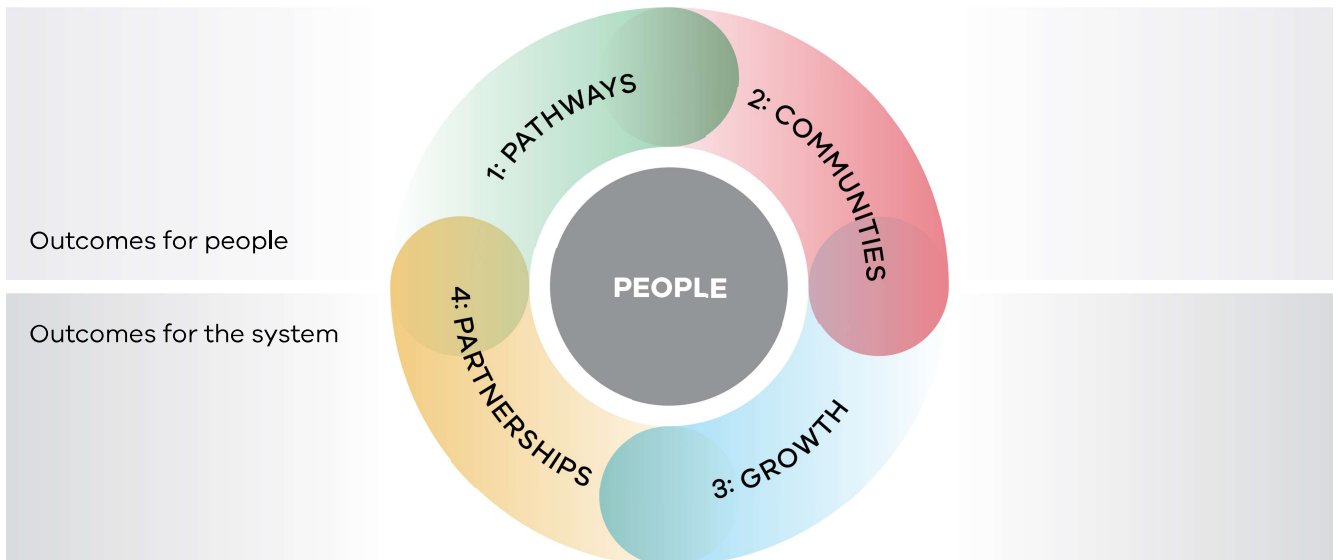


# Focus Areas and Actions

We want our vision to occur in a planned and collaborative way that plays to the strengths of all parties. The future will be based on shared goals and co-investment, and with the target of effectively responding to the needs of our clients and people, building thriving and prosperous communities. Action will be undertaken across four focus areas:

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

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





## People at the centre

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

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

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

### Question:

? So that people are at the centre of a future social and affordable housing system, what actions should we take to ensure we seek, hear and respond to people who need and use social and affordable housing?

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

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

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



## Focus Area 1: Pathways

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

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

Similarly, there are very few affordable opportunities for those unable to access home ownership. The lack of long-term housing options has meant that at times there has been too much emphasis placed on providing short-term, crisis accommodation rather than investment in long-term housing options. There is also a need for differentiated, tailored responses for people requiring specialist support and housing, including people with mental health issues, experiencing family violence, living with a disability, leaving out of home care or leaving corrections.

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

We want people to know how to access housing options or assistance that meet their needs. These may include social housing, affordable rental housing, private rental housing, or home ownership. Once in a home, we want people to be able to sustain their living arrangements and build upon the foundations of secure housing to lead a life they value. A key part is ensuring the right support is available at the right time to help people access the housing option that best meets their needs and circumstances.

### **WE WANT PEOPLE TO ACCESS SOCIAL AND AFFORDABLE HOUSING, SUSTAIN THEIR TENANCIES, AND MOVE BETWEEN DIFFERENT HOUSING OPTIONS AS THEIR NEEDS CHANGE. THIS INCLUDES:**

- Making information for social and affordable housing more easily accessible and available to people who need it, in a format that works for them.
- Reducing barriers to accessing and maintaining social and affordable housing, including matching people to housing and helping people to navigate available housing options and existing housing support programs.
- Making registering and managing applications through the Victorian Housing Register easier, accessible and inclusive for all people.
- Better connecting housing, health and other human services so that people with multiple or complex needs can access and sustain housing.
- Assisting people with specific housing and support needs that cannot be met through mainstream social housing or the private market, such as those in contact with justice, mental health or out of home care settings, or people who need specialist disability accommodation

### **Questions:**

- ❓ What services or housing supports do you think people seeking and living in social and affordable housing need to help find and then keep a home?
- ❓ What do you think are the most important features of affordable housing? e.g. price, location, security of tenure, access to transport or daily amenities, connection to support services etc.



## Focus Area 2: Communities

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

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

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

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

### **WE WANT YOUR INPUT ON WHAT ACTIONS WE NEED TO TAKE TO STRENGTHEN SOCIAL AND AFFORDABLE HOUSING COMMUNITIES TO HELP:**

- Build strong social housing communities that are resilient and connected.
- Address stigma and strengthen connections between social housing residents and the wider community.
- Establish mechanisms for shared dialogue and connection between government and community housing providers.
- Deliver new social and affordable housing that has access to jobs, public transport and services.
- Better connect health, education, training and community services with social and affordable housing providers and residents.
- Design social housing for the future, including buildings that are environmentally sustainable and can be adapted to the needs of different people and households.

### **Questions:**

- ❓ What do you think could help strengthen connections between local communities and social and affordable housing communities?
- ❓ What do we need to do to make sure social and affordable housing better meets the health and wellbeing needs of residents?



## Focus Area 3: Growth

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

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

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

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

### **WE WANT YOUR INPUT ON WHAT ACTIONS WE NEED TO TAKE TO DELIVER GROWTH IN SOCIAL AND AFFORDABLE HOUSING, INCLUDING HOW WE CAN:**

- Facilitate larger scale investment in social and affordable housing.
- Help people to enter the housing market, including ways in which we can support people to own their own home.
- Develop a better understanding across all levels of government of what land is available for new social and affordable housing development.
- Move funding from individual projects to new commissioning models that support capability development and reduce overheads
- Adjust policy settings in the social housing system to support sustained growth.
- Promote housing as a career pathway to attract and retain workers within the sector.

### **Questions:**

- ❓ What do you think are the best ways to stimulate growth in social and affordable housing?
- ❓ What do we need to do to ensure social housing meets the needs of people with specific support and housing needs?
- ❓ What do we need to do to support a well-functioning affordable housing system that provides rental and home ownership opportunities for those that need them?



## Focus Area 4: Partnerships

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

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

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

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

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

### **WE WANT TO STRENGTHEN OUR PARTNERSHIP APPROACH TO BUILD A STRONGER AND MORE EFFECTIVE SOCIAL AND AFFORDABLE HOUSING SYSTEM, INCLUDING BY:**

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

### **Question:**



Who do you think we should partner with to help achieve our social and affordable housing vision?

## Next steps

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

Your contribution is important in shaping the future of social and affordable housing in Victoria.

Please complete a survey and/or provide a written submission via the Engage Victoria website between 9 February 2021 and 9 April 2021.



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