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Submission – Moreland Council

10-Year Strategy for Social and Affordable Housing

9 April 2021

Endorsed by resolution of Moreland Council 9 June 2021

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Contents

1. Executive Summary	4
2. Overview.....	4
3. The Moreland Context	5
4. Overall Responses to Discussion Paper	8
5 Focus Area 1 – Pathways.....	11
6 Focus Area 2 – Communities.....	14
7 Focus Area 3 – Growth	14
8 Focus Area 4- Partnerships.....	16
9 Engagement.....	17
10 Contact details	18
11 References	18

1. Executive Summary

- Social and affordable housing in Victoria needs a long-term commitment of funding. The promise of the Big Housing Build to increase social housing stock by at least 10% over four years is a welcome. However, generational underinvestment will not be addressed, or market failure reversed, by a marginal short-term boost.
- Moreland has a track record in investing its own land and financial resources into social and affordable housing development, including establishing Moreland Affordable Housing Ltd. With \$2.14 billion allocated for partnership-led developments, there should be support for grassroots and local government initiatives.
- Homes Victoria needs to foster a culture of diversity in representation both with existing residents /renters and to people and representative advocates who are currently not being serviced with social and affordable housing.
- The voluntary agreement system doesn't work. Local governments need mandatory Affordable Housing planning provisions
- Local government cannot be a partner in delivering affordable housing when it is operating without basic information what is planned and funded. Appropriate agreements for sharing information at officer level and with our communities will built capacity and trust.
- In the development of the strategy, Homes Victoria should look to clearly define the outcomes it means to achieve including what it means by "housing pathways" and how affordable housing, as distinct from social housing, will be delivered and managed.
- Council recommends an urgent renewal of guidelines for the sale, exchange and transfer of land and further reforms to the Local Government Act when this is completed.
- Despite the COVID-19 response Emergency Housing remains in crisis both in terms of gaps in supply and the provision of wraparound supports. This requires a priority focus in the strategy so that no-one is forced to sleep rough or to have to choose unsafe options to get shelter.
- While many new affordable homes are needed, there is an urgent need to make healthy and safe the existing, ageing, public housing stock. Both retrofitting and new builds present an opportunity for Homes Victoria to meet the obligations of the Climate Change Act 2017.
- Moreland needs up to 10,500 affordable dwellings by 2036. Based on our extensive research we consider delivery of 1000 new social homes planned within the life of the strategy and provided by 2036 to be a minimum commitment by Homes Victoria to the Moreland municipality.

2. Overview

Access to appropriate housing in locations close to services and social infrastructure is important, and the freedom to make choices about where you live is fundamental to creating a healthy, productive life. Victorian housing supply does not always reflect the needs of the community, and this has been recognised by all levels of government. Housing costs impact negatively on many in the community, affecting people with both rental and home ownership tenures. Furthermore, it has the most significant, socially determined impact for those on low incomes, those suffering disadvantage and people who are homeless, or at risk of becoming homeless. Council is committed to addressing these issues and notes that access to what the United Nations terms "adequate housing" is a basic human right for all¹.

From the early 1960's until the mid-1990s Victoria provided new social housing at an average rate of 1,100 units per year but in the decades since, growth has stalled while the population has increased rapidly, leaving Victoria with the lowest provision nationally and at the bottom of the table internationally of comparable economies internationally². We saw, from the late 1980s, a dominant belief in Commonwealth and state policy that the private rental market, supported by Commonwealth Rent Assistance and negative gearing, should provide homes for those on low incomes. The severe lack of private affordable rentals in nearly every corner of the state, and the high numbers of low-income

households in housing stress, can be properly characterised as market failure. This market failure makes government participation in the market appropriate.³

The promise of the Big Housing Build to increase social housing stock by at least 10% over four years is a welcome signal that the state government sees social and affordable housing as a core responsibility. However, the challenge remains that the generational underinvestment will not be addressed, or market failure reversed, by a marginal short-term boost. Social and affordable housing in Victoria needs a long-term commitment of funding. Our communities, with the support of their local governments, also need structural changes to ensure that what is invested delivers the best value, underpinned by the principles of fairness and inclusion. Finally, all speculative property developers should be required to contribute to the provision of social and affordable housing through the planning system, as they already do for other public infrastructure.

Council welcomes the process undertaken to date by Homes Victoria to engage with communities and organisations on the creation of a Ten-Year Strategy. While it is understood that you wish to complete the work before the end of this year, we would strongly encourage further targeted consultation as draft policy proposals for the strategy are developed. The questions raised and topics addressed in the discussion paper are, for the most part, general in nature. An opportunity to further contribute on the detail of proposals should strengthen the final strategy and allow stakeholders to see their part in its fulfillment.

3. The Moreland Context

3.1 Summary

The housing system is failing to provide enough safe, affordable and appropriate homes for our Moreland community. We have a higher than metropolitan average number of people who are unhoused, with no safe shelter to call their own. There were 770 people experiencing homelessness in Moreland in 2016 and this number is likely to have been and continue to be exacerbated by the impacts of COVID-19.

For many others, being in housing stress means that paying for housing comes at the cost of other necessities like nutritious food or transport. There are more than 9,900 households in Moreland in housing stress (15.3% of residents), of these the majority are lone person households and families with children. Housing stress has increased since COVID-19 with one third (34%) of respondents to the Moreland Covid-19 Secondary Impact Analysis survey experiencing heavy or moderate stress on finances from mortgage or rent within the next 6 months.

There is a significant gap between the supply and need of social housing and this will persist in the short to medium term despite welcome commitments made under the Big Housing Build project in November 2020 to invest in additional social housing across Victoria. There were an estimated 3,850 households with an unmet need for affordable housing in Moreland in 2016. Therefore, the affordability, supply and quality of private rental housing is a critical setting for looking at the health impacts for community members. 36% of homes in Moreland are rented. Younger people with insecure incomes and older people on government pensions are particularly vulnerable in the private rental market. In addition, an estimated 1,090 people in Moreland live in crowded or severely crowded dwellings, with over half being young people aged 20-29 years.

3.2 Detailed statistics of Moreland residents

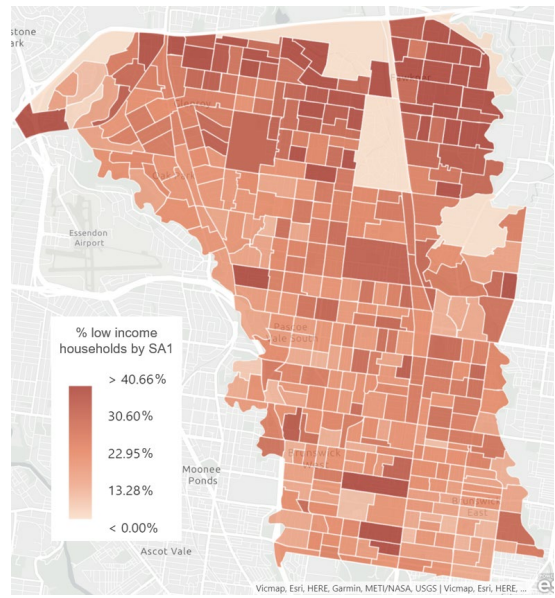
Low Income households

Low-income households⁴ are defined as those with equivalised⁵ household income less than \$500 per week. This is the standard range closest to the bottom 25% of all households in Australia.

In Moreland, 24.6% of households with stated incomes were classified as “low income”, which is slightly higher than in greater Melbourne (23.6% of households) and equates to approximately 13,600 households. Lone-person households and single-parent families are more likely to have low equivalised incomes than other household types (id consulting, Social Cohesion Monitoring Report 2019).

Low-income households by suburb

Suburb	Low-income households	% of all households
Glenroy	2,231	32%
Coburg	2,025	24%
Brunswick	1,797	20%
Fawkner	1,640	40%
Pascoe Vale	1,355	23%
Brunswick West	1,195	22%
Brunswick East	798	17%
Hadfield	662	36%
Coburg North	661	27%
Pascoe Vale South	625	20%
Oak Park	423	21%
Gowanbrae	157	18%
Moreland	13,570	24.6%
Greater Melbourne	-	23.6%



Source: Australian Bureau of Statistics population census 2016, Equivalised Total Household Income (weekly) by statistical area 1 (SA1). Map prepared in Power Bi by Moreland Research Team.

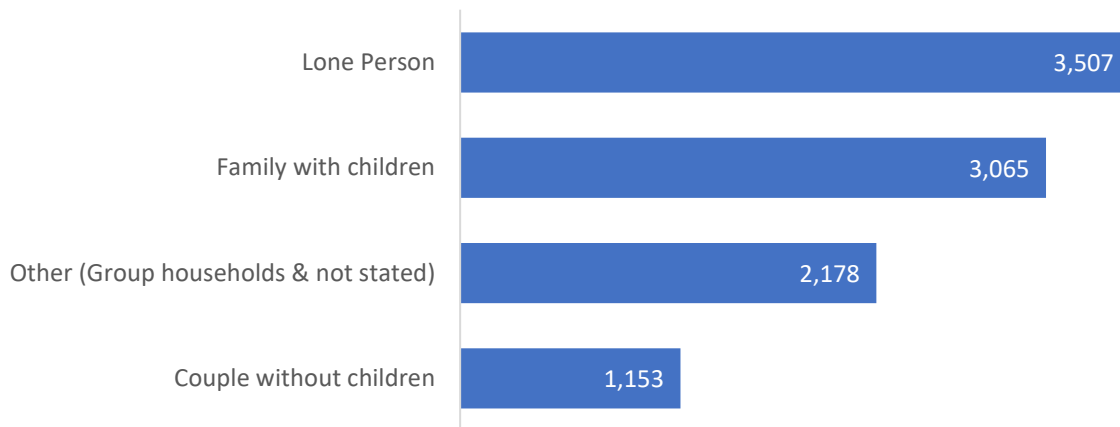
Households experiencing housing stress

Housing stress refers to households having trouble meeting their rent or mortgage payments. Generally, lower-income households spending more than 30% of income on housing costs is considered housing stress, or generally unaffordable.

Overall, more than 9,900 households in Moreland were in housing stress in 2016. The proportion of households in housing stress in Moreland is 15.3%.

Household Type	Households experiencing housing stress	% households experiencing housing stress
Lone person	3,507	35%
Family with children	3,065	31%
Other (Group household & not stated)	2,178	22%
Couple without children	1,153	12%
Total	9,903	100%

Households experiencing housing stress by household type

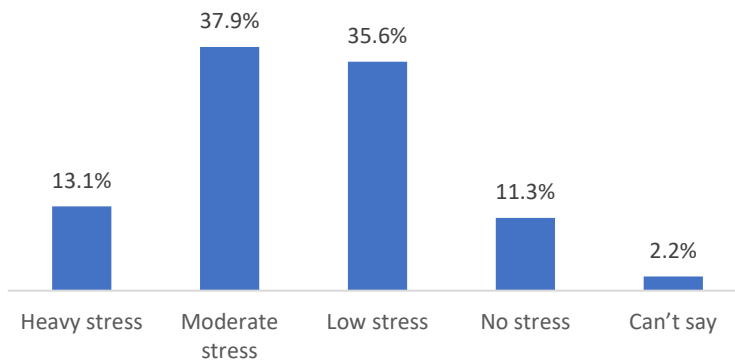


Source: A Home in Moreland Report, ID Consulting

People who experience stress around rental or housing payments

In 2017, over half (51%) of purchaser/renter households felt that the rental or housing payment places heavy (13%) or moderate (38%) stress on the household's finances in an average month.

Self-reported experience of stress around rental or housing payments



Moreland City Council Household Survey 2019

3.3 Social housing in Moreland

2.5% of Moreland households are rented through public or community housing. This is below the Victorian average (3%) and the national average (4.2%). Between 1996 and 2016, the number of social housing dwellings grew by 237 while total population grew by 31,148. As of September 2020 there were 3914 local households on the Victorian Housing Register (Hume Moreland Area). This is 20% higher than state average.

In recent years, since the introduction of the Homes for Victorians policy and other initiatives which committed to increase social housing, is estimated that less than 50 new social housing homes have been delivered locally⁶. The redevelopment of Gronn Place in Brunswick West under the Public Housing Renewal Program will add 28 new public and community homes.

In 2017, the Victorian Auditor General report noted that 60% of the public housing stock in Victoria was over 35 years old⁷. A desktop assessment of identified social housing in Moreland would indicate that the

majority of social housing stock (90% of which is owned by Homes Victoria) is ageing, with many single homes, walk-up flats and the high-rise block in Brunswick being at least 50 years old.

3.4 Council investment

Council established a Housing Strategy Reserve in 1997-1998, following the forced sale of the Coburg and Brunswick electricity wholesaling businesses as part of the privatisation of the SEC (State Electricity Commission) in 1996-1997. A total of \$1.5 million was allocated to the Reserve to foster affordable housing. Up to 2014-15 it spent \$1,105,000 on housing projects, including \$941,000 on land purchase. This supported the development of four projects by community housing and charitable agencies in Coburg, Coburg North and Fawkner. These 22 homes all sit on council land under a long term (40 or 50 year) leasehold arrangement.

In 2018 Council established an arms-length entity, Moreland Affordable Housing Ltd (MAH) an effort to address the lack of secure and affordable housing options available to residents across Moreland. Using seed funding over 4 years of \$865,000 from the Moreland Housing Strategy Reserve, MAH is focused on developing Council-owned land sites for social and affordable housing developments.

4. Overall Responses to Discussion Paper

4.1 Putting people at the centre

Of the four principles that are set out in the Discussion Paper to underpin the strategy, *People at the Centre*, is the most welcome. It is perhaps also the most challenging for Homes Victoria to work with, as it represents a shift from a standard top-down approach to managing social housing; an approach which has led to poor outcomes in recent times. In 2010, the Family and Community Development Committee inquiry into the quality of service and workforce capacity of the Office of Housing noted: "Often staff do not have the qualifications or skills to respond to people with a diverse range of support needs"⁸. In 2017 the Victorian Ombudsman reported on an investigation into the management of end of tenancy maintenance claims that the DHHS was "failing to live up to its commitment as a 'social landlord' and wasting public resources."⁹ With regard to the operations of the public housing bureaucracy, the report went on to make the concerning finding that: "The information held by the department about public housing tenants, their tenancy history and property history, is disjointed, decentralised and cumbersome for staff to access and draw together". Council welcomes the opportunity for improvements to the existing culture within the former DHHS (now Homes Victoria) of poor responsiveness to residents' concerns, in particular at the local housing office level.

4.2 Maximising Value- investing in current social housing

Moreland notes, and strongly supports, the recommendation by Infrastructure Victoria in its draft 30 Year Plan for a program to renew public housing stock. The underlying land holdings are also precious public assets and should be retained in the control of public bodies to deliver social housing and other community infrastructure in the future.

As noted above, it is Council's understanding that a significant proportion of the 2200 socially-rented homes in Moreland are old and in poor condition. These homes typically contribute to poor health outcomes for residents (many of whom have chronic health issues) and inefficient land use outcomes for our communities.

There is an urgent need to renew and/or retrofit all old social housing (whether public or community housing) for thermal comfort, with associated health, utility cost and emissions saving benefits. The final report of the Moreland's Cooling Communities project concluded that 'with hot weather and heatwaves

set to become more common, occupant exposure to heat stress is likely to be exacerbated in the future unless urgent action is taken' to improve old dwellings¹⁰.

A state-backed large-scale retrofit program, to substantially improve the thermal performance of existing social housing properties, has the potential to quickly build the capacity of the business sector that delivers energy/building performance retrofits (a current constraint to improving the energy and emissions performance of Victoria's public and private homes). Scaling up the capacity and competitiveness of the retrofitting sector could be an engine for green skills and jobs growth over the coming decade in Victoria, aligned to local and state targets for net zero emissions. Such an investment is a core 'no regrets' climate adaptation action, justified on economic, wellbeing and environmental grounds.

In renewing public housing, Moreland's experience with the redevelopment of walk-up flats at Gronn Place in West Brunswick has shown how relocation to facilitate renewal can place additional strain on scarce social housing supply. Such relocation also has adverse impacts on residents, due to the disruption of strong social and mutual aid networks. The Olympia Housing Initiative, which has strong partnerships with Banyule Council, other community service organisations and, critically, residents, points the way to how Homes Victoria could approach this task in the future. A genuine commitment to co-design, which starts with sharing information on housing audits and plans, will maximise outcomes and would contrast with the piecemeal and inconsistent approaches we have seen in the past.

It is crucial that new social housing is designed and built to high standards that will deliver energy cost savings, personal comfort, health and overall wellbeing benefits for residents. Passive solar design including appropriate orientation, double glazed windows that can be easily opened and shut, and onsite solar should be typical of any new housing developments. Exempting affordable and social housing from strong ESD credentials is both short sighted and counter intuitive.

4.3 Responding to those who are unhoused- focus needed on emergency housing

At its meeting on 10 March 2021, Council resolved to add to Focus Area 4 (Responding to community members in housing crisis) of its Affordable Housing Action Plan and action to *monitor and advocate for emergency housing availability in Moreland*. The lack of supply of emergency housing options and the poor and often highly unsafe conditions in emergency accommodation that is available has been an ongoing concern for many years. The actions of the state government from March 2020 under the Hotel Emergency Response (HER) program was commendable, however there has been a growing concern since November 2020 that the situation for community members in urgent need of safe shelter would revert to the previous unsatisfactory conditions starkly illustrated in the 2018 report *Crisis in Crisis*¹¹.

Therefore, it was welcome to see the *From Homelessness to Home* initiative which specifically aims to help 625 people in the Hume Moreland area with a multi-agency "Housing First" model of support. However, the current lack of suitable accommodation for emergency remains. The new report from the North and West Homelessness Networks, *Crisis in Crisis- A Way Forward*, maps out proposals for systemic change in service delivery and funding models which can assist Homes Victoria and partner agencies in resetting a failing system. Council would like to particularly note its support for the following recommendations of the report:

- 6. That, as per the recommendations of *Crisis in Crisis*, Government invest significantly in the rapid construction of additional emergency accommodation, with integrated support that is appropriate to the needs of people experiencing chronic homelessness and associated trauma.
- 19. That the Department allocates a dedicated proportion of the recently announced Big Housing Build towards single-person households along with intensive support to trial the implementation of a Housing First model as part of this major housing infrastructure investment.

4.4 Distinction between social housing and other affordable housing

The discussion paper does not state how many affordable (but not social) housing dwellings will form part of the strategy. A Housing Needs Analysis undertaken by SGS Economics and Planning for the City of Melbourne in 2019 indicates that in 2016 the metropolitan Melbourne need for social and affordable housing was 231,000 households, and that demand for social and affordable housing represents 13% of all households in metropolitan Melbourne¹². This analysis finds that the demand for social and affordable housing will grow by an additional 107,000 over the next 20 years to 2036. It concludes that 338,000 social and affordable homes will be required in metropolitan Melbourne by 2036. 26%, or almost 88,000 households, of this demand will come from moderate income households.

The housing policy response in the discussion paper is framed on the premise of households moving up the housing continuum. However, this concept does not acknowledge the broader settings in the housing system, and the economy as a whole, that has seen both rent and purchase costs escalating much faster than incomes. This is a contraflow of households moving down the continuum which, on current economic indicators for wage stagnation, is likely to continue in the coming decade.

The AHURI Brief *Understanding the housing continuum* (2017) offers some useful guidance¹³:

The housing continuum concept directs policy makers to consider housing responses through the following dimensions:

- 1. policy makers consider housing responses for a diverse range of households, from people experiencing homelessness through to social housing tenants, first home buyers and beyond;*
- 2. policy makers consider a diverse range of responses for any one household over their lifetime. By considering the entire housing continuum, policymakers are better placed to respond to instability and sudden changes in a household's tenure. For example, a household at risk of homelessness might be best served by going into crisis accommodation temporarily, before attaining a rental bond loan to secure housing in the private rental market;*
- 3. the term recognises that there is an interconnectedness between different housing responses and that responses don't work in isolation. For example, a policy boost for first home buyers may increase house prices in a particular price range and reduce available properties for renters.*

Clearly the most urgent need is among those at the bottom of the housing continuum experiencing or at risk of homelessness. However, if action is not taken across the whole continuum the scale of need at the bottom of the continuum will continue to escalate faster than delivery of social housing.

Council has undertaken significant research to estimate the need for social and affordable housing currently (drawing on 2016 census figures) and projecting up to 2036¹⁴. The shortfall in affordable housing in Moreland was at least 4,000 in 2016. This shortfall will rise to between 7,000 and 10,500 by 2036. The shortfall needs to met by a range of government interventions including mandatory planning measures and direct government subsidy. However, as our research has starkly identified, it will continue to be those on the very low income quintile which require affordable housing, pointing to the need for 936 of the additional households would require social housing. Therefore we consider delivery of 1000 new social homes planned within the life of the strategy and provided by 2036 to be a minimum commitment by Homes Victoria to Moreland.

5 Focus Area 1 – Pathways

5.1 *What actions will enable people to access social housing, sustain their tenancies, and move between different housing options as their needs change?*

Working for a strong evidence base

While the discussion paper echoes public announcements over a number of years in relation to the existing public housing system not meeting the needs of residents and the public system as a whole, sector participants, academics and others in the public policy space have not been provided with detailed data and research to independently assess what the existing state of play is within the system. In the community housing sector we gain some insight through the performance reporting to the Victorian Housing Registrar. However, this is aggregated reporting of a limited range of performance measures. Within this data are some concerning trends such as the average annual rate for evictions at 7-8% of tenancies each year.

As sector participants we do not have a detailed picture of who is on the Victorian Housing Register, in particular who the applicants are in our local area.

Defining pathways

A recent research report from AHURI involving interviews with 76 social housing residents, *Understanding the experience of social housing pathways*, made several findings which demand close attention in the framing of the strategy¹⁵. These include:

- In practical terms, there are no feasible pathways out of social housing for many Tenants;
- Tenants' experiences of social housing procedures are frequently negative; and
- Pathways policies which consider social housing a 'stepping stone' do not align with tenants' understandings of the role and purpose of social housing

Council recommends that Homes Victoria work with stakeholders including current, prospective and former social housing residents to explore evidence and define the principles for housing pathways.

Providing information

It is critical that information about social and affordable housing and support to maintain tenancies is easily accessible and available to people who need it, in a format that works for them.

Council and community services working with young people in Moreland identified key factors in how information is provided:

- Flexible criteria for people to access social housing i.e. people with no income, people living with intellectual disabilities
- Access to relevant resources and services
- Education and provision to services/support, including therapy
- Ongoing case management support
- Housing operators to check in with households (community & social housing)
- Online system / app for easy access for people to track and update circumstances
- A more streamlined system
- Access to a key worker to check in (monthly) regarding tenancy, circumstances and support needs

These provisions would also in large part apply to other groups in the community. Improved communication between local government, housing services and other community services can help remove practical barriers to people in navigating the system,

Supporting seniors & CALD communities

People in insecure housing such as private rentals at risk of displacement are less likely to be connected into the aged services that they need to remain independent. According to the findings of the *Royal Commission into Aged Care Quality and Safety*, aged care programs should be integrated with affordable housing.

A better housing system will include opportunities for collaboration with cultural leaders to connect with communities and understand the issues. More than 1 in 5 older people (23%) in Moreland have poor or no spoken English. Older people need adequate and available information, delivered to them in their language in a way that suits them. Councils, community agencies and partners and Homes Victoria can collaborate to achieve this, for example we can hold in-person information sessions with older people, particularly in languages other than English (LOTE).

5.2 What 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.)

20-minute neighbourhoods

Plan Melbourne envisages people “living locally” and having “the ability to meet most of their daily needs within a 20-minute return walk from home, with access to safe cycling and local transport options”. The 20 Minute Neighbourhood concept strongly aligns with the features of a city where we wish to see more affordable housing.

Build to Rent

As the National Rental Affordability Scheme sunsets new models for the private sector development and management of affordable housing are emerging. Local governments are grappling with these new models such as Build To Rent (also variations like Rent to Buy) in terms of accepting them as affordable housing contributions. This is because there is an absence of any consistent governance, monitoring and reporting framework at a state level which would support a desire to ensure affordable housing allocation is undertaken fairly and that the provision is delivered over time. Councils are not resourced to manage complex matters of allocation and assessment of compliance reporting. A framework for the management of Build to Rent homes which claim to be affordable housing is required. Given that registered housing providers already come under a monitoring and compliance regime through the Housing Registrar, a requirement that they manage any homes that meet the Planning and Environment Act definition of affordable housing is compelling.

Climate Change

It is noted that climate change or its current and future impacts are not specifically mentioned in the discussion paper. As required under the Climate Change Act, the DHHS produced a Health and Human Services Climate Change Adaptation Plan 2019-21 which includes some actions that are specifically relevant to decision being made about the location and quality of social and affordable housing:

Action 13: Analyse the cost of health impacts caused by climate change effects on Victorian housing.

Action 20: Incorporate climate change into policies, plans and processes and embed a response to climate change in operational procedures.

Action 21: Develop a climate change transition plan for public housing to achieve adaptation and emission reduction outcomes.

The strategy needs to integrate the imperative to address climate change into its across managing, renewing and new-builds across all social and affordable housing. For example, the proposal under action

20 above regarding operational procedures should be extended to include procurement across the supply chain and all social and affordable housing.

Under its Climate Emergency Action Plan, Moreland Council has committed to advocate for Victorian Government investment in the accelerated roll-out of thermal upgrades for public and community housing. We are partnering with other organisations including Aboriginal Housing Victoria to advocate for and provide targeted support for low income and vulnerable households to avoid ‘energy poverty’ and be more comfortable in their homes during extreme weather. Affordable housing should be both safe in terms of health outcome and have affordable energy options. Pending external co-funding, our ‘Cooling Communities’ initiative will have resulted in home upgrades (for thermal comfort and/or solar PV) for around 500 social housing or low-income households across Moreland by 2025. Local governments such as Moreland are ideal partners with Homes Victoria to take action in reducing social and low-income residents’ exposure to energy poverty and extreme weather events

Affordable Housing for seniors

The World Health Organisation says that the Elements of age-friendly city housing are¹⁶:

- Affordability: Lack of affordable housing options make it difficult for older people to downsize or move to more appropriate housing
- Affordable utility bills
- Suitable (accessible) housing design that meets their needs as they age
- Modification: ability to modify the home as needs change
- Affordable maintenance
- Access to affordable services and sufficient information on these services
- Community and family connections
- A range of housing stock options
- Safe and secure housing

In 2019, Moreland Council endorsed *Living and Ageing Well in Moreland: An age-friendly framework (LAWM)*¹⁷. The age-friendly cities framework identifies suitable housing as a key element of an age-friendly city.

5.3 What actions will support people to find and obtain an affordable home?

In addition to actions outlined under 4.1, Council and community services working with young people in Moreland identified key factors that will support people to find and obtain an affordable home (this could apply to all population cohorts):

- Access to housing support officers (case management)
- Advocate for raising payments such as JobSeeker and Commonwealth Rent Assistance
- Flexible home loan processes for people who are long-term renters with a strong rental history and struggling to afford a deposit.
- Accessing appropriate housing services (depending on catchment, such as access to VincentCare, Salvation Army etc.)
- Creating relationships with real-estate agents – reduce stigma
- Educating community regarding housing (workshop, YouTube links, online webinar etc.) – e.g. – private rental readiness workshops
- Developing a form specifying documents required for specific housing

6 Focus Area 2 – Communities

6.1 *What actions will strengthen social and affordable housing communities?*

To turn this question around, what are the conditions that enable residents' capacity to strengthen their communities being fully realised?

Council encourages Homes Victoria to foster a culture of diversity in representation both with existing residents /renters and to people and representative advocates who are currently not being serviced with social and affordable housing. While recognising that a peak organisations like the Victorian Public Tenants Association and advocacy through the Community Housing industry Association Victoria play a critical role in giving a voice to resident experiences, we have seen in recent years numerous community based and activist entities such as Save Public Housing, the Homeless Persons Union of Victoria (HPUV) and Renters and Housing Union Victoria (RAHU) bring a diversity of views to debates about housing policy. Moreland Council's actions in the housing policy space have benefitted from giving diverse voices of those with lived experience of social housing, marginal housing and being unhoused a 'seat at the table'. Participation from lived experience advocates through the Council to Homeless Persons and Launch Housing in forums with community and local stakeholders such as Victoria Police and trader associations has also proven to be beneficial in building trust and understanding.

Other actions which have been proposed though Council consultations include:

- Communal spaces such as gardens people can use and access
- Community buses that assist with transport directly to shopping areas
- Incentives and schemes such as rent control or longer-term leases
- Access to additional funding and programs (gaps in system)
- Community gardens / activities
- Making spaces within the community more appealing
- More buy in from the government and support
- All levels of politics to discuss housing as it is a human right and a necessity

7 Focus Area 3 – Growth

7.1 *What actions will enable and deliver growth in social housing?*

Mandatory Affordable Housing planning provisions

Consistent with its policy position for many years, the Moreland Affordable Housing Action Plan 2020/21 calls for the state government to include mandatory affordable housing contributions in the Victoria Planning Provisions (VPP)¹⁸.

Numerous councils have been advocating for a mandatory affordable housing mechanism in planning scheme for the past 20 years and over the past five years many Councils have undertaken significant evidence-based work regarding affordable housing demand and supply and what a planning mechanism could deliver.

In September 2019 the Planning mechanisms for affordable housing Ministerial Advisory Committee was charged with the task of identifying 'What does a larger social and affordable housing system look like in 10 years' time?' with the objective of the planning system enabling and facilitating the provision of social and affordable housing. The output of the Ministerial Advisory Committee has not been publicly released

and there is no information of the role of the planning system in meeting social, and more particularly affordable, housing need in the discussion paper.

Moreland City Council is well progressed in its strategic work to quantify what a viable affordable housing contribution would be. All that is required in a Victoria Planning Provision Affordable Housing Overlay so that we can seek authorisation for a planning scheme amendment.

Moreland's Affordable Housing strategic housing research is available on the links below:

[Supplying Homes in Moreland- SGS -2019](#)

[A Home in Moreland – id - 2018](#)

[Moreland Affordable Housing Provision- HillPDA- November 2021](#)

(Note: Not publicly available- for strategy design use only-link accessible through housingstrategy@homes.vic.gov.au account only)

Free up surplus land

Over many years the opportunity for investment in large parcels of land, primarily public car parks, has been suggested by the State Government and peak industry bodies. Moreland is committed to exploring the creation of additional value from its land assets such as car parks and has tasked a newly created arms-length entity, Moreland Affordable Housing Ltd, to consider the development potential of car park sites in Moreland. Council also continues to actively explore a number of catalyst projects within the Coburg Activity Centre that could drive investment in excess of \$1 billion.

However, projects and investment like these are significantly constrained by the current legislative framework. Procedures for the sale and transfer of land are guided by the Local Government Best Practice Guideline for the Sale, Exchange and Transfer of Land 2009 (2009 Guideline) which elaborates on the legislative requirements contained in the Local Government Act 1989. The 2009 Guideline can no longer be considered "best practice" as the state has made significant improvements to its own disposal processes in getting best value for communities through the Victorian Government Land Use Policy and Guidelines 2017. Unlike the 2009 Guideline and earlier state guidelines which are anchored to a narrow definition of "highest and best use", the 2017 state guidelines are underpinned by four principles:

- Focus on achieving positive social, environmental and economic benefits,
- Intergenerational equity impacts,
- Whole-of-government perspective, and
- Engage and collaborate.

The 2009 Guideline is a 33 page detailed expansion of provisions in the old Act including case law. Given the changes both in state policy (not just in Land related policy but arising from Climate Change Act, Transport Integration Act, Planning & Environment Act, Plan Melbourne provisions etc), relying on these guidelines is both limiting in the scope of decision-making and appears to carry risk for the legal and political defensibility of decisions it may make.

In addition, unfortunately the recently revised Local Government Act 2020 has appeared to largely replicate much of the old Act's provisions in relation to the sale and lease of land and continues to prevent Local Government entering leases for more than 50 years. Significantly this prevents effective freehold arrangements which are far more suitable for attracting investment for larger projects. In forcing the hand of Local Government to sell land this can result in a preference to do nothing.

Council recommends an urgent renewal of guidelines for the sale, exchange and transfer of land and further reforms to the Local Government Act when this is completed.

7.2 What do we need to do to enable a well-functioning affordable housing system that provides rental and home ownership opportunities for those that need them?

Affordable Housing- need for distinct policy settings and targets

In Victoria, strategies to subsidise affordable housing that is not social housing are required to ensure that the social housing need does not continue to escalate. In any state Social and Affordable Housing Strategy, a key issue is what is the need for affordable, not just social housing, now and in the future and how is that need to be addressed.

Currently the housing market is not delivering rental or purchase housing at a price that a significant number of Victorians can afford. A key issue for the state strategy is, what is the role of the housing market in addressing this housing affordability crisis, and what is the role of the planning system? If the housing market is delivering housing at an increasingly disproportionate price relative to incomes, how can the planning system intervene for contributions to affordable housing?

Since the changes to the Planning and Environment Act in 2018, voluntary affordable housing contributions, which have delivered only a negligible number of affordable dwellings, have focused on sale of a proportion of the dwellings to a community housing provider at below market rate. Commonly the depth of the subsidy has been very shallow, with the subsidy being of quite low value. State government affordable (but not social) housing initiatives by Development Victoria have tended to focus on sale of dwellings at below market rate to eligible households, benefiting only the first occupants and doing little to support those in rental stress who are not able to service a mortgage even for a dwelling sold at below market rate.

In 2017 Homes for Victorians found the rental market is tight and rent has become less affordable. It documented that in 2017 only 7.6 per cent of new lettings in Melbourne were 'affordable' – compared to 30 per cent a decade ago.

There is a need for 88,000 affordable housing homes in metropolitan Melbourne over the life of the proposed state Social and Affordable Housing Strategy. This equates to 8,800 homes per year for 10 years. This need is concentrated in inner and middle ring municipalities. Housing essential workers in areas where there is the highest concentrations of jobs, has inter-related personal and societal intergenerational benefits.

8 Focus Area 4- Partnerships

8.1 How do we strengthen our partnership approach to build a stronger and more effective social and affordable housing system?

Invest in skills and capacity

Under Homes for Victorians the state government has been providing specific funding to the community housing sector to build its capacity both in the delivery of new homes and its operational management of social housing. For the local government sector to be an effective partner in the increase in social and affordable housing there is a need for resourcing and capacity-building to meet the challenge. Already

severely constrained financially by rate-capping, the Covid-19 Pandemic has left many local governments in a very tight spot. Social and affordable housing development is work that has complexity beyond 'normal' private development and needs more than occasional professional development workshops (welcome as they are).

One example of where this matters is in situations where the Minister rather than the local government is made the Responsible Authority for planning. Local governments are still expected to provide input into these planning decisions but do not receive any planning application fees which it would normally rely on to partially pay towards the cost of its highly qualified planning and other technical staff. Moreland has direct experience of this with the Public Housing Renewal Program. The redevelopment of Gronn Place in Brunswick West (now called Harvest Square) has involved many hundreds of hours of council staff time over four years with none of this being offset by the developer (DHHS, now Homes Victoria).

Innovation and diversity

The Big Housing Build promises \$2.14 billion to “pursue opportunities to partner with industry, community housing providers, local government and institutional investors to identify new projects that deliver homes across Victoria.” While the detail of what this looks like has not be elaborated yet, Council encourages Homes Victoria to take the opportunities to use these funds to innovate with approaches to the delivery and management of social and affordable housing and embed this commitment to innovation in its 10 Year strategy. In particular, Council notes with some concern in briefings from Homes Victoria that the registered community housing providers and their models of delivery is the “only game in town”. While government funds need to be carefully spent and risk carefully managed, there should be scope for experimentation and support for grassroots and local government initiatives.

9 Engagement

9.1 How can we be engaged as new initiatives are developed over the course of this strategy?

Local government needs to understand what is being planned and delivered. That means good information-sharing and early opportunities to collaborate and have meaningful input. It also requires strengthening inter-council coordination through the MAV and providing resourcing to the Inter-Council Affordable Housing Forum.

The establishment of a Social and Affordable Compact with Local Government is supported and needs to include:

- Data sharing and needs analysis
- A collaborative approach to planning matters
- A common approach to partnership opportunities
- Communication, information and co-design between Homes Victoria, local government and community members
- Best practice and place-appropriate community engagement
- Mitigation of impacts of relocation of social housing residents
- Prioritisation of housing projects

10 Contact details

If you need further information please feel free to contact Mike Collins, Principal Advisor, Social and Affordable Housing on 92402484 / mcollins@moreland.vic.gov.au

11 References

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- ³ Lucille Keen, Asset recycling not beyond the new Labor, Australian Financial Review, 2016 <https://www.afr.com/companies/infrastructure/asset-recycling-not-beyond-the-new-labor-20160413-go52y0>
- ⁴ Relationship between “low-income” and poverty: Low income definition used is not an indicator of poverty and there will be people on more than \$500 per week living in poverty as per the Henderson Poverty Line definition by [Melbourne Institute University of Melbourne](#).
- ⁵ Equivalised household income is a good measure of the resources available to a household. It adjusts total income to account for household size in terms of adults and children and puts all households on equal footing with a single person household of the same income (ID Consulting 2019).
- ⁶ Council’s has requested on a number of occasions to be given a running total of new social housing funded/or delivered in Moreland but has not been provided with this information by DHHS or its successor Homes Victoria.
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- ¹⁷ Living and Ageing Well in Moreland Framework <https://www.moreland.vic.gov.au/community-health/seniors/living-and-ageing-well-in-moreland-framework/>
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