



Build on the Big Housing Build





VCOSS Submission to Consultation Paper
on the 10-Year Strategy for Social and
Affordable Housing

April 2021

The Victorian Council of Social Service is the peak body of the social and community sector in Victoria.

VCOSS members reflect the diversity of the sector and include large charities, peak organisations, small community services, advocacy groups and individuals interested in social policy.

In addition to supporting the sector, VCOSS represents the interests of Victorians experiencing poverty and disadvantage, and advocates for the development of a sustainable, fair and equitable society.

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A fully accessible version is available online at vcoss.org.au/policy/



VCOSS acknowledges the traditional owners of country and pays respect to past, present and emerging Elders.

This document was prepared on the lands of the Kulin Nation.



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Introduction

VCOSS welcomes the opportunity to make this submission to Homes Victoria, in response to the Sector Consultation Paper on the 10-Year Strategy for Social and Affordable Housing (the Strategy).

Our work cuts across a broad continuum of social policy areas. It is our experience that housing is at the heart of almost every social policy challenge. Housing is not a peripheral issue – rather, it is a key solution, because a home is the foundation for a good life.

This has been recognised by the Victorian Government. VCOSS concurs with the government's *"vision ... for all Victorians to have access to a safe, affordable and appropriate home"* and welcomes the development of this Strategy to provide *"a roadmap for a stronger and more sustainable housing system for Victoria"*.

This is crucial because many people cannot access the private housing market, due to low incomes, high costs, an inability to compete against other prospective tenants, discrimination and lack of accessible or appropriate housing. The provision of social housing safeguards the fundamental right to a home and protects against homelessness.

Despite a progressive social agenda in many other areas, Victoria has the lowest level of public and community housing stock in Australia (3.2 per cent of all households). This has meant a much greater reliance on the private rental market, amidst overwhelming evidence that this is not delivering for those on low incomes or those who face discrimination in the rental market. We welcome a 10-Year Strategy to guide the sustained effort required to address the social housing challenge we currently face.

Summary of recommendations

Deliver a steady pipeline of new social housing

Set ambitious targets to increase public and community housing supply for the next 10 years

- Set a target to build 60,000 new public and community homes by 2031.
- Drive accountability by collecting, analysing and reporting consistent and meaningful data sets, including:
 - Numbers of public, community and affordable housing built.
 - Wait list and allocations data from the Victorian Housing Register, including key demographic and vulnerability indicators.

Design and deliver new homes that meet the needs of current and future priority groups

- Make better use of Victorian Government data to design and deliver suitable and diverse homes that meet the needs of under-serviced groups.
- Allocate higher levels of subsidy to small, specialist community housing providers who will deliver innovative housing to meet the needs of priority groups.

Make new homes accessible and safe

- Require all new social housing homes to meet the Livable Housing Design Guidelines Gold level by incorporating this standard into tender specifications.
- Incorporate Specialist Disability Accommodation into new social housing developments.
- Explore opportunities to include Specialist Disability Accommodation in the social housing growth pipeline.
- Ensure all new social housing homes include features that enable residents to be safe.
- Provide adequate funding for ongoing costs, maintenance, upgrades and modifications, with clear responsibilities of providers mandated.

Develop inclusive and connected communities

- Incorporate community facilities into congregate developments.
- Ensure building design is cohesive with local neighbourhood character.
- Ensure the Social and Affordable Housing Compacts with local government include commitments to increase the supply of local services, facilities and amenities.

Maximise land and finance for social housing growth

- Require 10 per cent of new large-scale housing developments to be social housing.
- Reform procurement models to incorporate bids for four-year project pipelines.
- Switch to a broad-based land tax.

Forge pathways towards stability, independence and community

Put people at the centre of pathway reform

- Use human-centred design to understand how people seek housing assistance and access the social housing pathway.

Leverage existing 'soft entry' points

- Mobilise universal services to provide housing information, assistance and referral.

Ensure no exits into homelessness

- Provide housing support for people leaving institutional and statutory settings, including hospitals, prisons, mental health facilities and other residential care settings.

Maximise choice in allocations

- Introduce choice-based letting for social housing.

Make all social housing affordable and secure

- Provide adequate funding for community housing providers that ensures viability and reflects the true costs of delivering services to tenants with vulnerabilities or experiencing disadvantage.
- Investigate using subsidies to make community housing affordable for more people.

Strengthen protections against evictions

- Ensure evictions are a measure of last resort by:
 - Resourcing public and community housing providers to deliver on their Social Landlord responsibilities.
 - Ensuring all tenants are made aware of their rights and responsibilities and can access legal assistance and advocacy.
 - Strengthening VCAT's accountability by creating an internal appeal mechanism for decisions made in the VCAT Residential Tenancies List.
 - Establishing a single affordable and timely appeals process for both public and community housing tenants to access an independent system of review.

Create the conditions for social housing residents to get the right support at the right time

- Ensure tenants get the right support at the right time by:
 - Providing secure, long-term funding, fair indexation and growth funding for community services.
 - Investigating and implementing mechanisms to achieve more seamless, coordinated and timely provision of support to vulnerable social housing residents across State Government jurisdictions, prioritising early intervention and ongoing flexible supports.
 - Using data and co-design for models of support provision.

Recognise community sector workers as ‘key workers’ and provide equitable access to new affordable housing

- Quarantine a proportion of new affordable housing stock for community sector workers.

Foster partnerships with community to deliver the Strategy

Establish a high-level housing forum

- Establish a high-level housing forum to provide strategic advice and support to Homes Victoria to implement the Strategy.

Engage with community to develop each four-year Supply and Delivery Plan

- Develop a framework to engage community to develop each rolling four-year Supply and Delivery Plan.

Leverage the expertise of communities to ensure design of stock and delivery of services is fit-for-purpose

- Undertake targeted engagement with key communities to support delivery of key priorities and projects.
- Consider establishing communities of practice to design and deliver housing and support models for specific cohorts or needs.
- Strengthen mechanisms for social housing tenants to contribute to good practice and development of the sector.

Deliver a steady pipeline of new social housing

The Consultation Paper acknowledges the supply problem that underpins many of the challenges manifest in the housing market and the health and social service systems. This includes 100,000 Victorians waiting for homes on the Victorian Housing Register (VHR), more than 100,000 using homelessness services last year,¹ and nearly 1 million Victorians living in housing stress.²

The \$5.3 billion *Big Housing Build* package is an unprecedented investment in addressing the social housing supply problem. There will be 9,000 new social housing homes delivered in the next four years under this package.

VCOSS welcomes this investment as an important step towards delivering a steady pipeline of new public and community housing homes over the next 10 years.

This section of our submission sets out our recommendations in response to the following Consultation Paper questions:

- *What actions will enable and deliver growth in social housing?*
- *What do we need to do to ensure housing supply meets the needs of people with specific support and housing needs?*
- *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.)*

¹ Australian Institute of Health and Welfare, *Specialist Homelessness Services Annual Report 2019-20*, December 2020.

² The ABS estimates that 962,500 Victorians live in households paying more than 30% of their income towards housing costs. See Australian Bureau of Statistics, 4130.0 - Housing Occupancy and Costs, 2015-16, Table 13.5 Household Estimates, Selected household characteristics, States and Territories, 2015-16.

Set ambitious targets to increase public and community housing supply for the next 10 years

RECOMMENDATIONS

- Set a target to build 60,000 new public and community homes by 2031.
- Drive accountability by collecting, analysing and reporting consistent and meaningful data sets, including:
 - Numbers of public, community and affordable housing built.
 - Wait list and allocations data from the Victorian Housing Register, including key demographic and vulnerability indicators.

A centrepiece of the Strategy should be an ambitious target for public and community housing growth.

The Consultation Paper includes the following aim: *“the number of social and affordable housing properties in Victoria is reaching towards the national average”* (p22).

We need a stronger commitment.

Given the Victorian Government’s vision for *“all Victorians to have access to a safe, affordable and appropriate home”*, Victoria’s 10-year Strategy should *“reach”* – not *“reach towards”* – the national average **at a minimum. To achieve this, 60,000 new public and community housing homes will need to be built by 2031.**³

Establishing targets will drive accountability, by providing a measure by which to monitor progress, assess performance and evaluate whether actions are delivering on the vision. This should be accompanied by the collection, collation, analysis and public reporting

³ Derived from DELWP, *Victorians in Future 2019* (VIF2019), July 2019, p8 and DHHS, *Housing Assistance: Additional Service Delivery Data 2018 – 19*, September 2019, p8.

(annual publication) of consistent and meaningful data sets that measure the impact of investment on current and projected demand for social housing. This data should include:

- Numbers of public, community and affordable housing built.
- Wait list and allocations data from the Victorian Housing Register, including key demographic and vulnerability indicators.

It is important that the 10-Year Strategy recognises the value of both public **and** community housing and invests in the growth of **both** sectors.

Over the next four years, under the *Big Housing Build* package, 9,000 new social housing homes will be built, the majority of which will be managed by community housing providers.

VCOSS welcomes the investment to grow the community housing sector, alongside policy and funding reform to ensure that community housing is accessible and affordable for all tenants and prospective tenants.

We also note that public housing – housing that is publicly owned and managed – continues to contribute unique value to the housing market, providing secure tenure and affordable homes for Victorians on the lowest incomes, especially people living on Commonwealth income support payments.

Design and deliver new homes that meet the needs of current and future priority groups

RECOMMENDATIONS

- Make better use of Victorian Government data to design and deliver suitable and diverse homes that meet the needs of under-serviced groups.
- Allocate higher levels of subsidy to small, specialist community housing providers who will deliver innovative housing to meet the needs of priority groups.

Individuals and families who need social housing in Victoria are diverse, and new public and community housing homes delivered over the next 10 years should be targeted, fit-for-purpose and suitable for people who need them.

The *Big Housing Build* package identifies priority cohorts who are currently under-serviced in the market and acknowledges the need for targeted investment by quarantining a portion of new stock for regional and rural Victorian communities, Aboriginal Victorians, people with mental illness and victim-survivors of family violence. The Consultation Paper also notes the need to prioritise one-bedroom and two-bedroom homes to reflect current undersupply of these homes in the market.

While this is welcome landmark investment, it underscores the importance of a 10-year Strategy and pipeline of sustained social housing growth to fully meet the needs of the identified priority groups. For example: the *Big Housing Build* package commits to quarantining 10 per cent of new social housing stock for Aboriginal Victorians, amounting to 900 new homes. Looking ahead, the Victorian Aboriginal Housing and Homelessness Framework *Mana-na woorn-tyeen maar-takoort* has identified the need to build an additional 5,000+ homes for Aboriginal Victorians by 2036.

Homes Victoria should consider providing incentives for community housing providers to provide innovative, specialist housing to meet unmet demand. This should include higher levels of capital for smaller providers with less cash flow and borrowing capacity than larger providers, who propose to provide housing for identified priority cohorts.

It is also important to highlight that there are **other** under-serviced cohorts who experience barriers to accessing social housing, additional to the priority cohorts that Homes Victoria has identified in the *Big Housing Build* package. VCOSS particularly draws Homes Victoria's attention to the following under-serviced groups:

- Young people, who comprise 20 per cent of homelessness service system users.⁴
- LGBTIQ+ Victorians, who do not have access to adequate levels of safe and community-owned/managed housing stock.
- People with disability, who continue to be denied full choice and control over their housing, due to a lack of accessible housing stock and contemporary tenancy models.
- People leaving prison, due to a lack of stock suited for single person occupancy.
- People with substance use issues, for whom much of current housing stock is not suitable to the recovery process.
- People who are ineligible for social housing due to residency status.

⁴ Australian Institute of Health and Welfare, *Specialist Homelessness Services Annual Report 2019-20*, December 2020.

To develop a more comprehensive understanding of demand for social housing, VCOSS recommends Homes Victoria leverages a broader range of government datasets. More strategic use of data will assist Homes Victoria to better target investment to current and emergent under-serviced cohorts over the life of the Strategy. In addition to Victorian Housing Register (VHR) data and data on specialist homelessness service use, Homes Victoria should engage with data from the NDIS, child protection, and justice as well as local labour force projections.

Homes Victoria should also interrogate data to identify demographic and vulnerability indicators of the different cohorts, in order to inform the design features of new social housing homes, including:

- Supports that may be required, and how these could be integrated or accommodated.
- Whether developments should be built as congregate or dispersed/clustered models.
- How visitors, carers and other supports can be accommodated in the space.
- How recreational, communal and green spaces can be used for community connection, while also maintaining privacy and safety.

Quantitative data is one part of the picture. Homes Victoria should also engage directly with Victorian communities in order to deeply understand housing needs and preferences. The final section of this submission provides more in-depth reflection on engagement and co-design.

Make new homes accessible and safe

RECOMMENDATIONS

- Require all new social housing homes to meet the Livable Housing Design Guidelines Gold level by incorporating this standard into tender specifications.
- Incorporate Specialist Disability Accommodation into new social housing developments.
- Explore opportunities to include Specialist Disability Accommodation in the social housing growth pipeline.
- Ensure all new social housing homes include features that enable residents to be safe.
- Provide adequate funding for ongoing costs, maintenance, upgrades and modifications, with clear responsibilities of providers mandated.

VCOSS has long advocated for social housing homes to be safe and healthy. We commend the Government for committing to providing well-designed and environmentally sustainable housing by ensuring all new housing meets the 7 stars Nationwide House Energy Rating Scheme (NaTHERS). This will make new social housing homes comfortable and affordable for tenants, as well as built for Victoria's climate future.

Accessible housing is another essential requirement for safe and healthy living.

There are many benefits of accessible housing, including:

- enabling people to stay in their home as they age and to prevent injuries
- reducing government expenditure on health services and home modifications for people with disability and older people
- assisting carers and reducing their likelihood of injury
- limiting the effects of loneliness and increasing social inclusion and productivity
- making life easier for families with young children.

Of the nearly 50,000 households on the waitlist for social housing, more than half are in the priority access category,⁵ which includes people with accessibility needs.

The Victorian Government has a long history of delivering accommodation options for people with disability and older Victorians. While some roles and responsibilities have shifted in recent times, particularly through the introduction of the National Disability Insurance Scheme (NDIS), the Victorian Government has an ongoing role to play in promoting inclusive, community-based housing options and creating the conditions for innovative and accessible housing development.

Making new social housing homes accessible will ensure the longevity and flexibility of housing stock for current and future generations. This is especially critical in the context of a growing ageing population, longer life expectancies and the need for accessible and independent housing options. The recent Royal Commission into Aged Care and the current Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability will likely further explore and make recommendations regarding independent housing options.

Livable Housing Australia – a not-for-profit partnership between community, consumer groups, government and industry – has developed the Livable Housing Design Guidelines (the Guidelines) to define universal design principles and lead development of safe, accessible homes.

The Guidelines describe design elements and features, which can be included in new homes to achieve accessibility and livability. The Guidelines outline three performance levels – Silver, Gold and Platinum. The Gold level includes 12 essential performance requirements. When homes are built to the Gold level, they provide a minimum standard of accessibility for people with disabilities and access needs to live independent lives.

New social housing homes should be built to at least the Gold level. This can be achieved by incorporating this standard into *Big Housing Build* tender specifications.

Specialist disability accommodation (SDA) is housing that is specifically designed to suit the needs of people with disability who have very high support or physical access needs. Funding for SDA is available through the NDIS. The Productivity Commission inquiry which paved the way for the introduction of the NDIS estimated around 28,000 people (just six per cent of NDIS participants) would be eligible for this funding. However, this has subsequently been challenged by the Summer Foundation, the Australian Housing and Urban Research

⁵ Department of Health and Human Services, *Victorian Housing Register and transfer list by local area*, December 2020.

Institute, and SGS Economics & Planning. Using Australian Institute of Health and Welfare data on state-funded disability service systems, these experts estimated that in 2018 there were approximately 50,700 people likely to be found eligible for SDA.⁶

SDA can be provided by private and not-for-profit disability services and housing providers, with the majority of new SDA across Australia provided by private and community housing providers in 2019.⁷ According to modelling by Social Ventures Australia, there is a shortfall of 2,411 SDA places in Victoria.⁸

Through the *Big Housing Build*, the Victorian Government is encouraging new strategic partnerships and innovation. The Strategy provides the Victorian Government with the opportunity to showcase ways that SDA can be incorporated into new social housing developments and to lead the nation in building inclusive communities.

Contemporary SDA approaches present exciting and well overdue opportunities for people with disability and communities alike. Well-designed and well-located SDA increases independence, protects dignity and enables choice and control for people with disability. Modern SDA breaks down barriers and disrupts previous models of disability accommodation. Ensuring Victorians with disability can live in a good location, connected to their community and the right support also maximises opportunities for social and economic participation, with multiplier effects for the rest of the community.

While safety is a key priority for many residents and prospective residents of social housing, the specific features that make homes safe vary, including:

- Safe and independent access for older persons and people with disability, as described above.
- Cultural safety, including for people from CALD backgrounds, Aboriginal Victorians and LGBTIQ+ Victorians, which can be provided through specialist or community- led housing provision.
- Suitability for people with complex needs, or experiences with trauma, especially people who have experienced long-term homelessness, addiction, institutionalisation or

⁶ Joint Standing Committee on the National Disability Insurance Scheme, *Market readiness for provision of services under the NDIS*, September 2018, p80.

⁷ Social Ventures Australia and Summer Foundation, *Specialist Disability Accommodation – Supply in Australia*, March 2020, p10.

⁸ *Ibid*, p23.

incarceration. This might include dispersed or clustered housing models with integrated therapeutic supports to enable recovery.

- The ability to install safety and security measures for victim survivors of family violence, and to accommodate children safely and comfortably.
- Safety can also mean connection to community and supports, and housing design that prevents social isolation.

New homes that are built to target priority cohorts – for example, victim survivors of family violence, people with mental illness and Aboriginal Victorians – should reflect the safety needs of such communities, which can be identified through co-design approaches. Other groups identified in this submission – who are not currently recognised as priority cohorts in the *Big Housing Build* package, but who should also be a focus for investment – should be similarly engaged in co-design.

A person's home may need to be modified to meet their specific needs as they change over time, and housing stock should also reflect the broader demands of the population.

Investment should include adequate funding for ongoing costs, maintenance, upgrades, and modifications, with clear responsibilities of providers mandated, to prevent the issue of cost-shifting between different service systems.

Develop inclusive and connected communities

RECOMMENDATIONS

- Incorporate community facilities into congregate developments.
- Ensure building design is cohesive with local neighbourhood character.
- Ensure the Social and Affordable Housing Compacts with local government include commitments to increase the supply of local services, facilities and amenities.

VCOSS welcomes the statewide focus on social housing growth. It is important that all parts of Victoria are accessible to, and inclusive of, people who live in social housing.

New social housing homes should make residents feel connected to community and enable them to access employment, education, recreation and supports with ease.

In each local government area, new developments should be built in already well-serviced locations in that municipality. Where new developments are built in growth areas, the Social and Affordable Housing Compact with local government could provide the platform to plan and deliver increased supply of local services, facilities and amenities, in partnership with local service providers.

More broadly, VCOSS sees an opportunity to incorporate integrated housing and community services into new housing developments, to provide local support services to residents and surrounding communities.

Common spaces in social housing developments, including green spaces, are an important enabler for community development and inclusion. Common spaces should meet physical accessibility and safety requirements, match local neighbourhood character and the rhythms of local community life.

Maximise land and finance for social housing growth

RECOMMENDATIONS

- Require 10 per cent of new large-scale housing developments to be social housing.
- Reform procurement models to incorporate bids for four-year project pipelines.
- Switch to a broad-based land tax.

VCOSS welcomes the Victorian Government's commitment to maximising access to land and finance to address the gap between supply of and demand for social and affordable housing.

VCOSS advocates adopting inclusionary zoning to mandate that new large-scale housing developments include 10 per cent social housing. In 2020, private developers began construction of over 24,000 new units in Victoria (excluding detached houses).⁹ If 10 per cent of these were reserved for social housing, then 2,400 more social housing homes would have been available.

⁹ Australian Bureau of Statistics, *Building Activity, Australia*, Time Series Spreadsheets Table 34: Number of Dwelling Unit Commencements by Sector, States and Territories, March 2017

We welcome Homes Victoria's commitment to build on action already underway, including the use of government land for social housing, and boosting funding for social housing developments, under the Social Housing Growth Fund. The Victorian Government could also explore new mechanisms to grow social housing, including increasing government borrowing.

Procurement models could also be reformed to maximise growth in the community housing sector. The predominant procurement model is project specific, which is resource intensive and expensive for community housing providers and government. This also constrains innovation and the ability for community housing providers to undertake forward planning.

Homes Victoria could consider the model implemented by Homes England, which replaced project-specific approvals with bids for four- or five- year project pipelines. The Victorian Government's commitment to establish rolling Four Year Supply and Delivery Plans provides the right conditions to incorporate this approach.

Our current land tax policy – stamp duty – is a regressive tax which encourages property speculation and dampens economic activity. As a consequence, both buyers in the market and the Victorian Treasury are subject to a volatile housing market. While this will not directly facilitate social housing growth, switching from stamp duty to a broad-based land tax would stabilise the housing system, and make it more efficient and fairer.

Forge pathways towards stability, independence, and community

VCOSS agrees that a successful housing system enables people to access the housing and support they need, at the time they need it (Consultation Paper, p16).

Access to housing and supports at the right time are essential conditions for people to live good lives – with stability, independence and connection to community.

A key focus of the Strategy is on pathways – how and why people move through the housing system as their needs change.

People may move through the pathway due to individual drivers – namely, when their circumstances change, by choice or otherwise, and their housing may no longer be suitable. However, people are also “pushed” by structural drivers – regulation, policy and procedures that guide the social housing market, how they take effect operationally and affect tenancies.

The Consultation Paper asks: *“what actions will enable people to access housing”* and *“what actions will support people to find and obtain a suitable home”*.

Quality supports are critical to accessing housing and sustaining tenancies. In this section, we make recommendations that would enable Victorians to get the right support, at the right time and in the right settings.

But the effectiveness of any support hinges on there being enough social housing – homes that are fit-for-purpose and available to people who need it.

No amount of support will enable a person to move into and sustain a home if there is no home available.

This section of our submission sets out our recommendations in response to the following Consultation Paper questions:

- *What actions will enable people to access social housing, sustain their tenancies, and move between different housing options as their needs change?*
- *What actions will support people to find and obtain an affordable home?*
- *What actions will strengthen social and affordable housing communities?*

Put people at the centre of pathway reform

RECOMMENDATIONS

- Use human-centred design to understand how people seek housing assistance and access the social housing pathway.

There are nearly 50,000 households, or approximately 100,000 people, on the wait list for social housing,¹⁰ and countless others who would be eligible but have not registered. This is a diverse cohort, using multiple service systems to access housing assistance and/or other supports. It will be important to understand the help-seeking preferences and behaviours of people seeking housing assistance, and to develop a holistic view of the many entry points to – and points of intervention on – the pathway.

Given the long-term nature of the Strategy and the potential to effect systemic change, VCOSS believes there would be value in using a human-centred design approach to develop a holistic picture of the whole system, with a view to understanding the critical barriers and enablers along the pathway, including:

- How people seek help for housing issues.
- What type of help do they seek, and when.
- What housing outcomes do they expect.
- What services do they already seek help from.
- Whether these services are responsive to their housing needs.
- What other services people use that could be mobilised as a pathway entry point.

Through this approach, Homes Victoria could deeply and meaningfully explore housing pathways experienced by Victorians and ensure that future policy settings, processes and communications work in tandem to reduce barriers and improve outcomes.

¹⁰ Department of Health and Human Services, *Victorian Housing Register and transfer list by local area*, December 2020.

Leverage existing ‘soft entry’ points

RECOMMENDATIONS

- Mobilise universal services to provide housing information, assistance and referral.

Most people will engage with mainstream services – like neighbourhood houses, community health centres, GP clinics, hospitals, schools, or maternal child health services – at various points in their life. These services are universally accessible, non-stigmatising and provide a diversity of support options.

While these services do not provide direct housing assistance, they can identify emerging risks, support people to navigate and make sense of complex service systems and provide a “soft entry” pathway to specialist housing services as needed. Some examples are:

- Financial counsellors or emergency relief providers can identify a family at risk of rental stress.
- School and youth services can be the first point of contact for young people having trouble living in the family home.
- Community health agencies support their clients with the many personal factors that may make maintaining a home difficult, such as chronic disease, drug and alcohol use, and mental illness.

Government and community will need to identify those services that do not currently have a well understood role in this space. Further, these services may not realise their own capacity and would require support to capitalise on their “soft entry” potential.

Ensure no exits into homelessness

RECOMMENDATIONS

- Provide housing support for people leaving institutional and statutory settings, including hospitals, prisons, mental health facilities and other residential care settings.

The Victorian Government has recognised that leaving state care is a critical transition point. Access to adequate transition support can make the difference between exiting into housing or into homelessness.

We have welcomed the Government's expansion of extended care ('Homestretch') for young people leaving the out-of-home care system. A cornerstone of Homestretch is an entitlement to supportive, stable housing until age 21 (for all those care leavers who wish to access extended care), as the young person prepares for their transition from the out-of-home care system to independence. This support is provided in recognition of the fact that a high proportion of young people discharged from state care at age 18 have previously exited straight into homelessness.

The Victorian Government should ensure no exits into homelessness for people leaving other institutional and statutory settings, including other residential care settings, hospitals, mental health facilities, and prisons. In 2019-20, it was reported that 2,400 people presented to homelessness services, at risk of homelessness, after leaving a state institution.¹¹ This is usually due to poor transitional planning and limited options for exits into suitable housing.

The Final Report of the Inquiry into Homelessness in Victoria recommended a "*no exits into homelessness*" policy to guide discharge planning and support. This policy would be supported by developing partnerships and pathways with housing and homelessness services, including early referrals prior to discharge.¹² VCOSS strongly supports Homes Victoria playing its part in implementing this recommendation.

Maximise choice in allocations

RECOMMENDATIONS

- Introduce choice-based letting for social housing.

Choice is critical to ensuring people can live in housing that is suitable to their needs.

¹¹ Australian Institute of Health and Welfare, *Clients leaving care - Specialist Homelessness Services Annual Report 2019-20*, December 2020.

¹² Parliament of Victoria Legislative Council Legal and Social Issues Committee, *Inquiry into Homelessness in Victoria – Final Report*, March 2021, p85.

Social housing applicants have little capacity for choice in the current allocations system. This includes transfer applicants – those already living in the social housing system wishing to transfer to a different housing options due to changed needs or circumstances. A lack of choice leads to inappropriate allocations and higher levels of transfer activity.¹³

The *Inquiry into the Adequacy and Future Directions of Public Housing in Victoria* recommended choice-based letting as an alternative to allocations.¹⁴

Choice-based letting involves advertising individual social housing vacancies, allowing applicants to bid or express an interest in the property.¹⁵

Choice-based letting aims to improve the matching of applicants to individual properties and it provides options for people to select properties more suitable for their accommodation needs as they change over time. This approach is a cultural shift from treating applicants as welfare-recipients to consumers.

The ACT will soon implement a universal choice-based letting model in public housing, following successful implementation in England and the Netherlands. The NSW Government has also introduced choice-based letting for social housing relocations.

VCOSS supports the introduction of choice-based letting in principle. However, we recognise that if a choice-based letting approach was to be incorporated into the social housing allocations system, Homes Victoria would need to consider the support needs of people who require assistance to navigate such a system and the implications for social housing providers.

The Victorian Government's *Build Housing Build* and commitment to developing a long-term pipeline that supports social housing growth means that the time is right to advance this policy conversation.

¹³ Parliament of Victoria – Family and Community Development Committee, *Final Report - Inquiry into the Adequacy and Future Directions of Public Housing in Victoria*, September 2010, p218.

¹⁴ Ibid, p218.

¹⁵ Ibid, p219.

Make all social housing affordable and secure

RECOMMENDATIONS

- Provide adequate funding for community housing providers that ensures viability and reflects the true costs of delivering services to tenants with vulnerabilities or experiencing disadvantage.
- Investigate using subsidies to make community housing affordable for more people.

Social housing is designed to provide housing for people failed by the private market. Social housing can provide affordable housing for people on the lowest incomes or who have specific or complex needs that the private rental market excludes. Even so, some VCOSS members report that some clients live in community housing in rental stress.

Across the community housing sector there is no standard model for rent-setting. Community housing providers rely on rent revenue for financial viability. Community housing providers often cannot afford to house residents on very low incomes or those living on Commonwealth income supports because of the constraints associated with their business model.

For those who can access community housing, a tenancy can be less secure if a renter loses capacity to pay rent, as community housing providers are less able to withstand lost rental revenue.¹⁶

For example, community housing providers may include child support payments when calculating rents for tenants who are single mothers. However, child support payments may not be paid or be paid erratically. Single mother tenants then experience financial difficulties and may face evictions.

In comparison, public housing rents are simply capped at 25 per cent of household income, making public housing rents more affordable for people on the lowest incomes.

¹⁶ G Johnson, R Scutella, Y Tseng and G Wood, *How do housing and labour markets affect individual homelessness?* August 2018., p18.

Homes Victoria will need to resource the community housing sector with adequate funding to ensure viability and reflect the true cost of service delivery, to provide access and secure tenures for people on the lowest incomes.

Homes Victoria should also investigate models for subsidising community housing rents for cohorts who cannot access community housing for financial reasons. For example, young people living on Youth Allowance could be viable community housing tenants if subsidised to bridge the affordability gap.

Strengthen protections against evictions

RECOMMENDATIONS

Ensure evictions are a measure of last resort by:

- Resourcing public and community housing providers to deliver on their Social Landlord responsibilities.
- Ensuring all tenants are made aware of their rights and responsibilities and can access legal assistance and advocacy.
- Strengthening VCAT's accountability by creating an internal appeal mechanism for decisions made in the VCAT Residential Tenancies List.
- Establishing a single affordable and timely appeals process for both public and community housing tenants to access an independent system of review.

VCOSS members have told us that the people they support want their housing provider to act in a fair, reasonable and consistent way when they experience a change in circumstances, or issues arise – for example, mental health episodes, relapse, financial crisis, family or relationship breakdown, or contact with the criminal justice system. However, in some circumstances, a tenant may be prompted to leave or be evicted.

Landlord-initiated evictions should be a measure of last resort in all social housing.

The onus to seek help and know and assert tenancy rights is predominantly placed on tenants, which can be problematic because:

- A lack of awareness and understanding of their rights and available supports mean many people do not know when or where to seek help.
- Many people do not seek out information or help until they are experiencing crisis.
- Crisis is not the best time to be navigating support systems that are unfamiliar.

Ensuring tenants and prospective tenants of public, community and affordable housing are aware of their rights and know where to go for support before a crisis arises is essential to sustaining tenancies.

Public and community housing providers are Social Landlords with responsibility to support tenants who are vulnerable or experiencing disadvantage and to maximise tenant wellbeing.¹⁷ The Social Landlord framework aims to avoid evictions into homelessness, for tenants who would be at risk of eviction in other tenure types.

However, both public and community housing providers face constraints in delivering on their Social Landlord responsibilities. In public housing, the Social Landlord framework is Departmental policy, but more staff will be required in Housing Offices to make this framework fully operational. Community housing providers also need to be resourced to formally adopt Social Landlord frameworks in their policies and practice.

A strong community housing regulatory framework can ensure the sustainability and growth of the sector and provide appropriate oversight of the sector to government and private investors. Most importantly, it can support community housing services to be configured around the needs of people experiencing vulnerability and help them maintain their tenancies in complex circumstances.

VCOSS welcomes the *Review of Social Housing Regulation* that is currently underway to ensure that social housing regulation reflects the current reality of the market. We note that the *Review of Social Housing Regulation* will consider whether resident rights should be harmonised under public and community housing models, as well as options to ensure an effective and coherent complaints management and redress system across the social housing system.

¹⁷ AHURI, *Examining the role of social landlords*, July 2020.

Create the conditions for social housing residents to get the right support at the right time

RECOMMENDATIONS

Ensure tenants get the right support at the right time by:

- Providing secure, long-term funding, fair indexation and growth funding for community services.
- Investigating and implementing mechanisms to achieve more seamless, coordinated and timely provision of support to vulnerable social housing residents across State Government jurisdictions, prioritising early intervention and ongoing flexible supports.
- Using data and co-design for models of support provision.

For many of the Victorians our members work with, housing will need to be accompanied by support, in order to access and sustain tenancies and break the cycle of disadvantage.

VCOSS members report that people they support are often evicted from social housing into homelessness, and scarce resources are wasted on rehousing people, known as “churning”. These resources would be better used to expand:

- **Early intervention supports** which provide support to social housing tenants to address factors that make them vulnerable to eviction.

Examples of effective early intervention include Tenancy Plus, Drum Youth Services (Flemington Towers), Older Persons High Rise Model, Working with Older Persons (CHIA NSW).

- **Ongoing flexible supports** that provide flexible, multidisciplinary and ongoing support to people with complex needs. Ongoing flexible supports are particularly effective for people who have experienced chronic or persistent homelessness.

Examples of effective ongoing flexible support include the pilot Permanent Supportive Housing Teams and the Homelessness to a Home program.

While effective, most of these programs are limited in funding and scope, which means that many people who need these supports are unaware of, or cannot access, them.

Long-term funding for community services can ensure a secure workforce and sustainable programs. A fair indexation formula incorporating wage rises, the superannuation guarantee and Portable Long Service Leave, and dedicated funding to meet growth in demand will also ensure that Victorians have equitable, reliable access to the supports they need.

VCOSS notes that residents in social housing who need support to sustain their tenancy often have a diversity of support needs, and those needs are met by different service systems dispersed across local, state and federal governments. Jurisdictional silos – in particular, lack of integration and handballing of accountability – often frustrate housing outcomes for vulnerable tenants. There is no integrated system of care that “*assembles the resources to ‘do what it takes’ from whatever system has relevant resources to meet client needs*”.¹⁸

The Victorian Government’s \$5.3 billion investment in the *Big Housing Build* provides Homes Victoria with a unique opportunity to bring together different parts of the Victorian Public Service to consider mechanisms that can achieve more seamless, coordinated and timely provision of support to vulnerable social housing residents by the State. This would build on existing complementary projects, such as the common clients initiative being jointly undertaken by the Department of Families, Fairness and Housing and the Department of Justice and Community Safety.

In terms of how housing and support are configured, VCOSS notes that, for some people, support that is integrated into housing provision is suitable, while for others, the preference is for housing providers to be separate to specialist supports. (VCOSS notes that in the disability support space, the NDIS requires that participants purchase accommodation and supports from different providers. This is because separate accommodation and supports are identified in that community as an important safeguard against abuse and neglect, and enables participants to exercise choice and control when things go wrong with either their housing or support provider).

VCOSS also notes that it may be a tenants’ preference not to disclose any issues they are experiencing to their housing provider which they fear may portray them as an undesirable

¹⁸ U.S Department of Housing and Urban Development and Department of Health and Human Services, *Towards understanding homelessness: the 2007 National Symposium on homelessness research*, September 2007, p228.

tenant, or be perceived as placing a tenancy at risk, such as a change in financial situation, substance use or mental health episode. Others may prefer to engage with specialist support services that are most appropriate to their needs.

For people who are part of communities that have experienced systemic racism, marginalisation, discrimination, violence, abuse and/or neglect, the ability to access specialist supports that are delivered by community-controlled/community-led organisations and groups is critical. VCOSS notes that this does not remove the obligation of mainstream organisations to ensure that their services and settings are safe and accessible for diverse communities.

In terms of Home Victoria's role, VCOSS advocates for Homes Victoria to interrogate data to identify demographic and vulnerability indicators of under-served cohorts, to help inform how supports should be provided for social housing tenants.

Recognise community sector workers as 'key workers' and provide equitable access to new affordable housing

RECOMMENDATIONS

- Quarantine a proportion of new affordable housing stock for community sector workers.

COVID-19 highlighted that community sector workers are essential workers. However, they do not tend to feature prominently – or at all – in policy conversations about affordable housing for key workers, outside the community services sector. This needs to change.

Currently, many community sector workers cannot afford to live in the communities in which they work. Employers lose workers who find work closer to home, including in other industries.

These workers are not easily replaced. The industry has long struggled to attract, recruit and retain staff because of systemic challenges outside its direct control, such as insecure and short-term funding, inadequate indexation, and pay inequity. Workforce shortages are acute, and the challenge is growing. Increasing demand for services means that the health and social assistance industry (of which community services is a part) needs to add 70,000 new jobs between 2018 and 2023.

Government policy and investment should recognise community services as a priority industry, and a proportion of affordable housing should be targeted to key workers in the community services sector. COVID-19 underscored the importance of locally-based workforces – particularly in sub-sectors such as aged care and disability support. Government should prioritise access to affordable housing in areas where skills shortages are most acute – this investment will support local service access and quality, individual and community wellbeing, and local economic growth.

Foster partnerships with communities to deliver the Strategy

VCOSS supports the Victorian Government prioritising partnerships to deliver the Strategy.

Many different sectors and communities should play a supporting role in growing social and affordable housing, and providing supports to renters to access and sustain housing.

At the policy consultation VCOSS convened to develop this submission, VCOSS members welcomed the opportunity provide input to the development of the Strategy, but also noted that engagement must be meaningful, continue over the course of the Strategy, and tangibly influence policy decisions and implementation.

The Victorian Government should also engage with people who live in social housing, who would live in social housing or who use social services, who are best placed to support Government to develop actions to realise the vision.

This section of our submission sets out our recommendations in response to the following Consultation Paper questions:

- *How do we strengthen our partnership approach to build a stronger and more effective social and affordable housing system?*
- *How can we engage with you as we develop new initiatives over the course of this strategy?*
- *What actions should we take to ensure we seek, hear and respond to people who need and use social and affordable housing, so that people are at the centre of a future social and affordable housing system?*

Establish a high-level housing forum

RECOMMENDATION

- Establish a high-level housing forum to provide strategic advice and support to Homes Victoria to implement the Strategy.

The creation of Homes Victoria is a smart approach to manage growth of the social housing system into the future and coordinate the social housing pathway.

Homes Victoria should establish a high-level housing forum comprising representatives across state government, local government, community housing providers, specialist homelessness service providers, community service organisations, user-led and community-controlled organisations and groups representing lived experience, tenant advocates and the private sector to provide strategic advice and support to Homes Victoria to implement the Strategy.

This forum could work together to:

- Guide provision of additional social housing supply.
- Investigate available government land.
- Develop innovative financing vehicles.
- Improve management of existing stock.
- Coordinate housing assistance and supports across government.

This forum would also provide the vehicle to plan and integrate housing solutions across government, including implementing recommendations from the Royal Commissions into Victoria's Mental Health System and Family Violence and other service system reforms.

Engage with communities to develop each four-year Supply and Delivery Plan

RECOMMENDATION

- Develop a framework to engage community to develop each rolling four-year Supply and Delivery Plan.

Involving residents and prospective residents early and in an ongoing way to create, shape and implement policies, programs and places brings a range of benefits. Potential problems can be identified and resolved earlier, reducing the likelihood of avoidable, expensive and exclusionary decisions and mistakes.

Homes Victoria can also consider how to engage with people who have experienced barriers to accessing social housing and those who have exited from social housing, to better understand how the current system should be improved.

In our engagement across diverse social policy areas, VCOSS members identify the following characteristics of good practice engagement:

- **Inclusive:** people who will be affected by social housing policy reform should be actively engaged, including prospective tenants who are yet to access social housing.
- **Transparent:** Consultation should be authentic, fair and accountable. There should be greater transparency about which engagement methods are chosen and why, and about what level of influence community feedback is likely to have.
- **Early:** Engagement processes should start earlier to ensure consultation is meaningful and that peoples' views can influence decision-making.
- **Accessible:** Engagement activities – in-person and online – need to be accessible for people with disability. Accessibility spans from physical access to venues or public places, through to the appropriateness of times and methods, and the use of clear and positive language.
- **Safe:** Consideration should be given to how to make conversations and environments safe, welcoming and supported. This includes considering who convenes the conversation, who should and should not be in the room, where and when conversations are held, and ensuring engagement approaches are culturally safe, gender-sensitive and trauma-informed.
- **Valued:** People's perspectives need to be listened to, respected and actioned.

VCOSS welcomes the engagement approach Homes Victoria has taken to shape this stage of the Strategy's development. Homes Victoria can implement best-practice engagement over the life of the Strategy by engaging communities in the design of each four-year Supply and Delivery Plan, to support implementation of the Strategy.

Leverage the expertise of communities to ensure design of stock and delivery of services is fit-for-purpose

RECOMMENDATIONS

- Undertake targeted engagement with key communities to support delivery of key priorities and projects.
- Consider establishing communities of practice to design and deliver housing and support models for specific cohorts or needs.
- Strengthen mechanisms for social housing tenants to contribute to good practice and development of the sector.

As well as valuing input to the strategic direction of the Strategy, VCOSS members told us that targeted engagement would be required to support delivery of key priorities and projects, including to deliver the homes suited to the priority cohorts and locations identified in the *Big Housing Build*.

The Victorian Government should engage residents and prospective residents in building design – just as they would be if they owned a home and were planning a renovation. Their insights and lived experience are valuable and can provide Homes Victoria with a detailed understanding of how residents experience social housing and the features they value. This can include extensive consultation opportunities with target communities or design panels including tenant representatives.

Tenders could include criteria for the development partner to liaise with target communities and service providers to understand prospective residents' needs.

For example, consultation with NDIS participants prior to development of their dwelling would be necessary to meet preferences and, in the long term, can result in substantial savings on support and modifications.¹⁹

¹⁹ Wiesel and Daphne Habibis, *NDIS, housing assistance and choice and control for people with disability*, December 2015, p 26

The Royal Commission into Victoria's Mental Health System recommends that new homes are co-designed by Homes Victoria, representatives appointed by the Mental Health and Wellbeing Division of the Department of Health, and people with lived experience of mental illness.²⁰

This model of co-design could be replicated for other priority groups over the life of the Strategy.

The *Review of Social Housing Regulation* will examine how residents voice can contribute to the management and operation of social housing providers. VCOSS welcomes this opportunity to strengthen mechanisms for tenants to contribute to the good practice and ongoing development of the sector.

²⁰ Royal Commission into Victoria's Mental Health System, *Final Report*, February 2021, p 61.



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