



Productivity Commission Review - National Housing and Homelessness Agreement (NHHA)

Regional Local Government Homelessness and Social Housing Charter Group

This submission has been prepared at officer level and draws on previous Charter Group submissions. The timeframe for submissions did not enable direct consideration at meetings of all of the Councils in the Charter Group. Therefore this submission is made subject to reserving the rights for individual Councils to amend or withdraw from the position put forward in this submission.



We acknowledge the Traditional Custodians of the Kulin Nation and pay our respects to Elders past, present and emerging.

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Scope of the review - Terms of Reference

The intent of this review is to consider:

1. the effectiveness and appropriateness of the objectives, outcomes and outputs of the NHHA [clauses 14-21] in the context of the respective roles in clauses 23-30, of the Commonwealth, the states and their interaction with local governments, noting they are not parties to the agreement, and operate under state regulations
2. the extent to which the NHHA is meeting its objectives [clause 14] to improve access to affordable, safe and sustainable housing, prevent and address homelessness and support social and economic participation
3. evidence of the NHHA contributing to achieving the NHHA outcomes [clause 15] and options to improve progress towards meeting these outcomes
4. the adequacy and quality of the data and information reported under the NHHA to provide transparency and accountability in respect of housing and homelessness spending [clause 15(f)] and identify options to improve the adequacy and quality and timeliness of data reported under the NHHA
5. the effectiveness of the performance monitoring and reporting framework of the NHHA [clauses 36-41] for measuring the outcomes achieved and ensuring transparency and accountability
6. options to maximise the outcomes that can be achieved with the NHHA funding
7. the suitability of the housing priority policy areas [NHHA Schedule A], national homelessness priority cohorts [clause B2], and homelessness priority policy areas [clause B4] identified by the NHHA, and the extent they have been addressed
8. the effectiveness of the NHHA data improvement outputs [clause 17(d), and NHHA Schedule C] for achieving an improved, nationally consistent data set
9. determine if the conditions to be eligible for funding under the NHHA [clause 17] are sufficient to achieve NHHA outcomes
10. the extent to which the NHHA is meeting the obligations of governments under Australia's Disability Strategy.

In undertaking this review, the Commission should have regard to:

- the respective roles of the Commonwealth and states with respect to housing and homelessness policy
- the impact of social and economic factors, including the coronavirus pandemic on housing and homelessness in Australia
- the individual housing and homelessness strategies and priorities of each of the states, and
- the individual bilateral schedules between each of the states and the Commonwealth

1. About the Charter Group

The Regional Local Government Charter Homelessness and Social Housing Group (Charter Group) welcomes the Productivity Commission review into the National Homelessness and Housing Agreement (NHHA) and is pleased to make a submission to this important review.

This submission has been prepared at officer level and draws on previous Charter Group submissions. The timeframe did not enable direct consideration at Council meetings. Therefore this submission is made subject to reserving the rights for individual Councils to amend or withdraw from the position put forward in this submission.

The Charter Group comprises 13 councils from the middle and outer ring suburbs of south and east metropolitan Melbourne. Our combined residential population is over two million people. The councils are Bayside, Casey, Cardinia, Frankston, Greater Dandenong, Kingston, Knox, Manningham, Monash, Maroondah, Mornington Peninsula, Whitehorse and Yarra Ranges.



The group works with the Municipal Association of Victoria, Homes Victoria in the Department of Families, Fairness and Housing, the Eastern Region Group of Councils and the Eastern Affordable Housing Alliance.

The Charter Group was initiated by Monash Council in 2019 to make a difference for the 22,000 Victorians experiencing homelessness - of which over a third (7,916¹ Victorians) are in our council areas. As a group we highlight regional issues associated with homelessness and social housing; advocate for systemic reforms to prevent homelessness risks from occurring; and work to improve our responses when they do. Our work has sparked interest among other Victorian councils.

Our advocacy platform is in the form of a [Regional Local Government Homelessness and Social Housing Charter \(Charter\)](#). The Charter supports a housing first² approach and prioritises three levers which are:

1. Work in partnership with federal and state government, public and private sector partners to increase the supply of social housing and respond to homelessness in south and east Melbourne.
2. Scope land within our region with the potential to be re-purposed for the development of social housing.
3. Advocate for inclusive housing growth, including through mandatory inclusionary zoning.

The Charter Group has out a glossary of terms³ to improve consistency across councils. We use the affordable housing definition in the Victorian Planning and Environment Act 1987, which is '*housing, including social housing, that is appropriate for the housing needs of very low, low and moderate-income households*'. Social Housing is defined as including both public housing and community housing. Community

¹ ABS Census 2016

² AHURI (2018) Brief: 'What is the Housing First model and how does it help those experiencing homelessness?'. Updated 25 May 2018. <https://www.ahuri.edu.au/research/brief/what-housing-first-model-and-how-does-it-help-those-experiencinghomelessness>

³ Charter Group - Glossary of Terms <https://www.monash.vic.gov.au/files/assets/public/community/documents/charter-group-glossary-group-glossary-terms-version-1-9-march-2021.pdf>

housing is housing owned, controlled or managed by a participating registered agency.

Our definition of 'homelessness' aligns with the Australian Bureau of Statistics (ABS) and Council to Homeless Persons' (CHP) definitions. These reflect contemporary practice and recognise that homelessness is more than rooflessness. Along with rough sleepers, the experience of homelessness includes every person in a dwelling that is inadequate; has no tenure; has a short and non-extendable tenure; or does not allow them to have control of, or access to space for social relations⁴. Rough sleeping makes up around 7% of homelessness with 'hidden homelessness' common across our region. Hidden Homelessness includes those in supported accommodation for the homeless, boarding houses, severely overcrowded dwellings, and those staying with other households or in other temporary lodgings⁵.

2. Introduction

The Charter Group welcomes the review of the NHHA by the Productivity Commission. The NHHA is a key tool to more effectively address homelessness and establish and manage an adequate social housing supply. We acknowledge the complex range of factors that can lead to homelessness and demand for social housing. We consider access to safe and secure housing as one of the most basic human rights, and that social housing (public and community housing) is a fundamental aspect of public health infrastructure.

While Federal and State Governments have the primary responsibility for the housing system including the prevention of homelessness and provision of public housing, we recognise that there is also a (limited) role in the system for local government. A 'joined up' commitment across three levels of government is necessary to address the inadequate supply of social housing and to address the systemic pre-conditions that increase homelessness risk. The housing shortage is a national challenge beyond the resources of the States alone to address. The shortfall in social housing for people on very low incomes and for those most vulnerable to homelessness⁶ must be addressed as a priority, and any response requires the critical 'levers' available to the Federal Government to succeed.

We recommend that the reviewed NHHA:

- increase the focus on homelessness prevention and the need for integrated homelessness support services (such as the Common Ground model) as a distinct objective in the NHHA
- significantly increase the focus on maintaining and growing public and community housing, and establish a sustainable funding source to do this
- identify and fund best practice models of social housing and housing support geared towards specific localised needs and opportunities
- recognize and fund housing agencies for the structural shortfall between capped rent income (from pensions, JobSeeker, Youth Allowance etc) and the true cost of providing and maintaining social housing and support services
- contribute to a National Housing and Homelessness Strategy:
 - o with a holistic and long-term vision for homelessness prevention; early intervention and response

⁴ Council for Homeless Persons definition: <https://chp.org.au/homelessness/>

⁵ Council to Homeless Persons 2019, 'Making a Difference – Effective Local Government Responses to Homelessness', commissioned by Monash Council October 2019, p.2

⁶ ibid

- including national, state and regional targets and plan for an additional 500,000 social dwellings across Australia over 5 years to meet the shortfall and address localised cohort needs
 - identify alternative ways to generate and maximise housing and homelessness support revenue streams
 - leverage social housing development opportunities through the use of government land
 - create (outside of the NHHA) incentives for private investment in affordable housing (to rent and buy) through taxation, low / no interest loans, long term peppercorn leases of surplus government land and other measures
- review Ministerial responsibility for homelessness to better support the NHHA (and new Strategy)

3. Response to Terms of Reference (TOR) and questions posed in the Issues Paper

The Charter Group has not responded to every Term of Reference nor question posed in the Issues Paper. Our submission is set out below and is structured in response to the issues paper sections:

1. Assessing the performance and suitability of the agreement
2. Issues across the housing spectrum
3. The supply side of the housing market

Please note that data referenced was collected prior to the COVID-19 pandemic.

3.1 Assessing the performance and suitability of the Agreement

This section of the Issues paper discusses:

- the purpose of the NHHA, and whether the objective, outcomes, outputs are appropriate and have been achieved, and the roles and responsibilities of governments under the Agreement (TOR 1, 2, 3, 6)
- Performance monitoring and reporting (TOR 3, 4, 5, 8)
- Financial and governance arrangements, and how well the NHHA aligns with other policy areas (TOR 7)

PURPOSE

The Charter Group sees the NHHA as primarily a funding agreement between the Australian Government and State and Territory Governments, with a clear focus on homelessness prevention and the delivery of adequate, safe, secure and sustainable social housing.

The Charter Group agrees with the Council to Homeless Persons (CHP) who recommend that the most powerful action local governments can take to reduce homelessness is to support the delivery of homes that people can afford. For the lowest income households most vulnerable to homelessness, this means the provision of social housing.

NATIONAL HOUSING STRATEGY

We support the development of a National Housing Strategy which would be broader in scope and consider the housing needs of all Australians, including for affordable housing and the market conditions for this to occur.

In our submission to the Parliamentary Inquiry into Homelessness in Australia⁷ we called for:

- a National Housing and Homelessness Strategy, with a holistic and long-term vision for improved connection and efficiencies in homelessness prevention; early intervention and response; including a plan for an additional 500,000 affordable dwellings across Australia over 5 years to meet the current shortfall
- incentives for the provision of social and affordable housing through financial incentives for private provision of affordable housing, including build-to-rent and rent-to-buy initiatives
- identify and fund best practice models of social housing and housing support, geared towards specific needs and opportunities at a local and regional scale
- introduce an additional clause into the NHHA to encourage innovative models and require all States and Territories introduce mandatory Inclusionary Zoning within state level planning schemes/provisions either directly or with local councils. This will:
 - o commit to national, state and regional targets, as supported by Infrastructure Victoria, to increase provision of social housing in Australia to meet the current shortfalls
 - o support new social and affordable housing development
 - o enable local government to enter into local agreements with developers without these being overturned by state level administrative tribunals (VCAT in Victoria)
 - o ensure there are fit for purpose properties coming onto the market for targeted at risk cohorts (such as women and children fleeing family violence)
 - o fund local government pilots to build capability and deliver inclusionary zoning in a quicker, more efficient and scalable way
 - o encourage innovation and diversity in social and affordable housing, such as shared equity/community land trusts by providing government owned land under a long-term lease

THE SUITABILITY OF THE HOUSING PRIORITY POLICY AREAS; PRIORITY COHORTS; AND HOMELESSNESS PRIORITY POLICY AREAS

Priority cohorts

It is appropriate for the NHHA to prioritise cohorts of people who are more likely to experience homelessness however the rationale for selecting these cohorts is not clear in the NHHA.

These cohorts should reflect those considered to be the most vulnerable to homelessness risk and should therefore be expanded to include low-income households; people seeking asylum; people with a disability and people experiencing a severe and enduring mental illness.

⁷ Charter Group Submission to Parliamentary Inquiry into Homelessness in Australia
<https://www.monash.vic.gov.au/files/assets/public/community/documents/inquiry-into-homelessness-in-australia.pdf>

Locational factors impacting the cohorts considered to be most vulnerable to experiencing homelessness should also be considered.

National housing priority policy areas

The national priority policy areas include:

(a) social housing that is:

- i. utilised efficiently and effectively (may include redevelopment and stock transfers);
- ii. responsive to the needs of tenants (may include redevelopment and stock transfers);
- iii. appropriately renewed and maintained (may include redevelopment and new construction); and
- iv. responsive to demand (may include redevelopment and new construction)

(b) community housing support that improves the viability and encourages growth of the sector (may include redevelopment and stock transfers);

(c) affordable housing (may include stock transfers and incentives to increase supply);

(d) tenancy reform that encourages security of tenure in the private rental market;

(e) home ownership including support for first home buyers; and

(f) planning and zoning reform and initiatives, including consideration of inclusionary zoning and land release strategies.

While the national priority policy areas are appropriate, the Charter Group considers that (c), (d), (e) and (f) are best dealt with through a National Housing and Homelessness Strategy.

(a) social housing - essential community infrastructure

- our analysis shows that social housing provision is not responsive to demand in the Charter region, and that prevalent housing types may not align with local social housing needs
- newly built and renewed social housing stock should meet national accessible design standards so that current and future needs of residents is assured
- maintenance is an increasing challenge as fixed income (rents) do not adequately fund maintenance nor service debt for capital improvements by housing providers

(b) community housing - assists in meeting changing local and short term needs

- while being addressed to an extent through the State Government, the measures taken are improving the viability of larger providers over smaller providers which is not supporting the overall growth of the sector

(c) affordable housing - to support low-medium income home ownership

- there are inconsistent definitions of affordable housing within and across jurisdictions
- the NHHA should focus on homelessness and social (public and community) housing

(e) first home buyer

- support should focus on low-moderate income households

- current support incentivises new builds and should be expanded to also include existing housing stock, which is often in better serviced areas and closer to existing support networks

We note and raise no concerns or suggestions regarding the **National Homelessness priority policy areas**

EXTENT TO WHICH OBJECTIVES, OUTCOMES AND OUTPUTS ARE BEING ACHIEVED

For the Charter region, the extent to which the NHHA has achieved its objectives is best considered against the growing need for homelessness support services, growing demand for social housing, and the plummeting availability of affordable rental stock in the south and east of Melbourne. In Victoria 44,152 households are waiting for social housing. In south and east Melbourne, the situation is dire as 32% of Victorians experiencing homelessness and 40% of people on the social housing waiting list live in this region.

The extent of the challenge for our region - homelessness

The dynamics and incidence of homelessness in our region differ from the rest of Victoria due to local socio-economic and locational factors, meaning that the homelessness challenges local areas face are different and different groups of people are impacted, limiting the effectiveness of a “one size fits all” response. A range of tailored solutions are needed to respond to vastly different needs. For example, family law and school retention factors are relevant levers to reduce the incidence of and impacts on women and children experiencing or at risk of homelessness due to family violence.

Two data sources are available to local government to determine local homelessness rates. They are the Australian Bureau of Statistics (ABS) Census data (point in time data collected every five years) and Australian Institute of Health and Welfare (AIHW) service data collected monthly. While not without limitations, when used together, these data sets can provide a good indication of the numbers, drivers and types of homelessness in our region and local areas.

In addition, data for the region regarding the demographics and needs of clients of Specialist Homelessness Services indicates some key differences with Greater Melbourne. In the 2019/20 year they include:

- **Age** - the Charter region had a high level of children aged 0-17 being homeless (regional average of 30.4% of SHS clients compared to 25.7% across Greater Melbourne, except for Greater Dandenong and Bayside; and highest in Knox (34.3%) and Yarra Ranges (38.7%))
- **SHS clients at risk of homelessness** - the Charter region averages 66.5% (60.7% Greater Melbourne)
- **Reason for seeking assistance** - interpersonal relationships predominate at 41.3% (33.7% Greater Melbourne) while accommodation (Mornington Peninsula) and financial factors (Knox, Manningham, Maroondah) are above Greater Melbourne

According to 2016 ABS Census data there are 7,916⁸ people experiencing homelessness in our region, representing one-third of all homelessness in Victoria. We consider this to be an undercount as regional metadata shows up to four times more homelessness than 2016 Census data. For instance, 2016 census showed 546 people as homeless in Frankston, whereas specialist homelessness service data showed that 2,000 people accessed homeless services for the same period.

AIHW 2017/18 data provides a clearer sense of the real-time incidence and types of homelessness in a local area and demonstrates that the types and rates of homelessness vary dramatically across our region. In our submission to the Parliamentary Inquiry into Homelessness⁹ we stressed that:

⁸ Australian Bureau of Statistics Census 2016 – *Homeless Estimates Special Report*

⁹ <https://www.monash.vic.gov.au/files/assets/public/community/documents/inquiry-into-homelessness-in-australia.pdf>

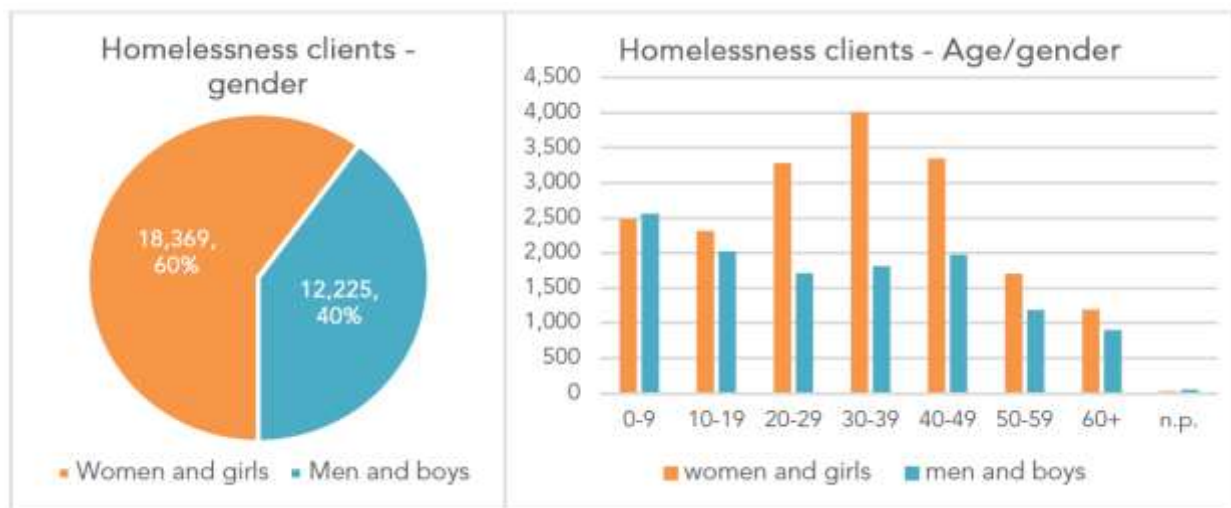
- **the pattern of homelessness varies across the region:**

- for example, Frankston and Mornington Peninsula have the highest rates of people sleeping rough, with more people in severely overcrowded dwellings in Dandenong, Manningham, Casey and Cardinia. In Yarra Ranges more people couch surf; boarding houses predominate in Maroondah, Whitehorse and Monash. In Knox and Maroondah more people are in supported homeless accommodation (although Maroondah has a concerning number of people sleeping rough)
- hidden homelessness & rough sleeping is rising - 20% of Victoria's rough sleepers are in our region¹⁰

- **a very high number of clients who receive homelessness services in the region were not homeless the month before (Figure 1):**

- 18,037 of the 24,734 clients that received specialist homelessness service provision, or 74%, were registered as 'not homeless' the previous month

Figure 1 - AIHW Specialist Homelessness data 2017-18 region-wide



- **homelessness is a gendered issue with women and children over-represented in our region (Figure 2):**

- 61% of people accessing specialist housing support services were women and girls, the opposite to the Melbourne CBD, where 61% of the 1,448 clients were male
- children (0-9 years) present as the second largest homeless cohort after women (20-49 years), larger than for any age group for men
- first time homelessness is also a gendered issue with large numbers of women and children coming into contact with homelessness service providers for the first time, and who, with the right supported transitional accommodation are unlikely to enter the 'homelessness system'¹¹
- repeated or chronic homelessness is less prevalent with the number of people previously housed exceeding the number who were homeless the month prior, the reverse of the situation in the CBD

¹⁰ Australian Bureau of Statistics Census 2016 – Homeless Estimates Special Report

¹¹ See <http://www.nwhn.net.au/Crisis-in-Crisis.aspx>

Figure 2 - Monthly count homelessness services - gender and status - Previous Month Count 2017/18

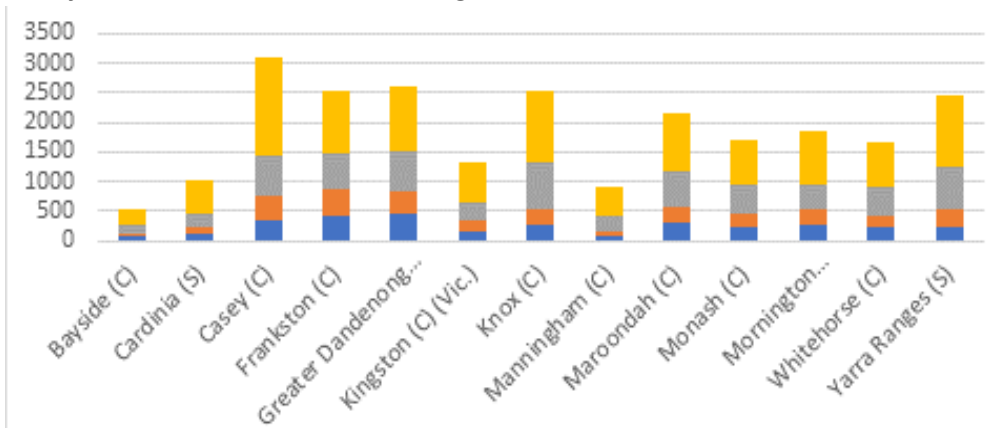
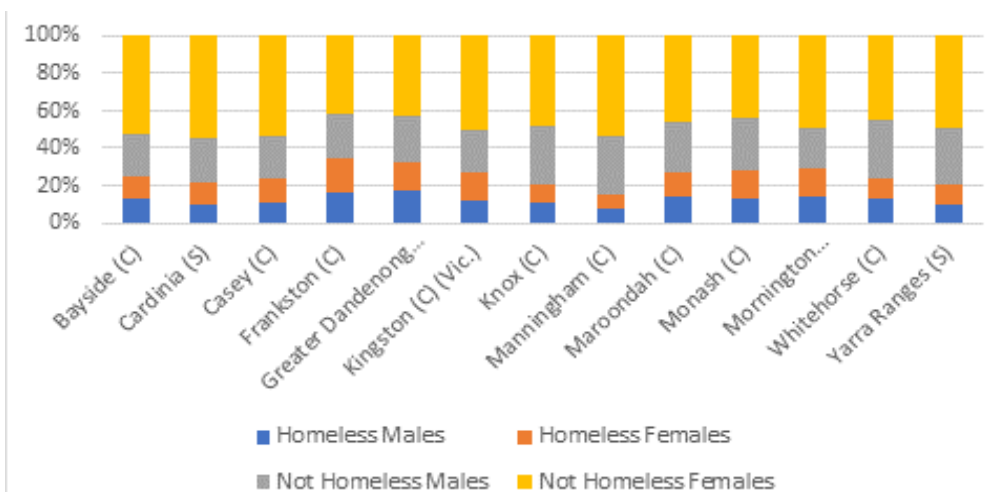


Figure 3 - Proportion and gender - previous month homeless - Previous Month % 2017/18



The extent of the challenge for our region - housing affordability

Housing affordability is a growing problem in Australia and a growing issue for many residents in our region. Indicators of the regional challenge include:

- the share of households renting social housing has stagnated or declined in all councils in the region, and is below the metropolitan average level in most councils
- the number of affordable private rentals within the region has plunged compared with the early 2000’s
- all Charter region councils experienced a significant increase in the median house price over the last decade, ranging between 47% and 80%
- the average 10 year growth in median house price among Charter Councils is 64% which has been faster than the metropolitan Melbourne increase of 51% over the same period
- by 2020 eight of the 13 Charter Councils had median house prices exceeding the metropolitan median

The Charter Group has estimated the need for social housing over the next twenty years by applying the Minimum Supply of Social Housing methodology. The estimated shortfall (the estimated number of ‘most housing vulnerable’ households in the region exceeding social and forecast affordable private rental supply) is detailed below and expected to increase if no additional actions are taken to increase supply.

Figure 4 - Estimated shortfall of social housing five-yearly 2021-2041 in the Charter Region

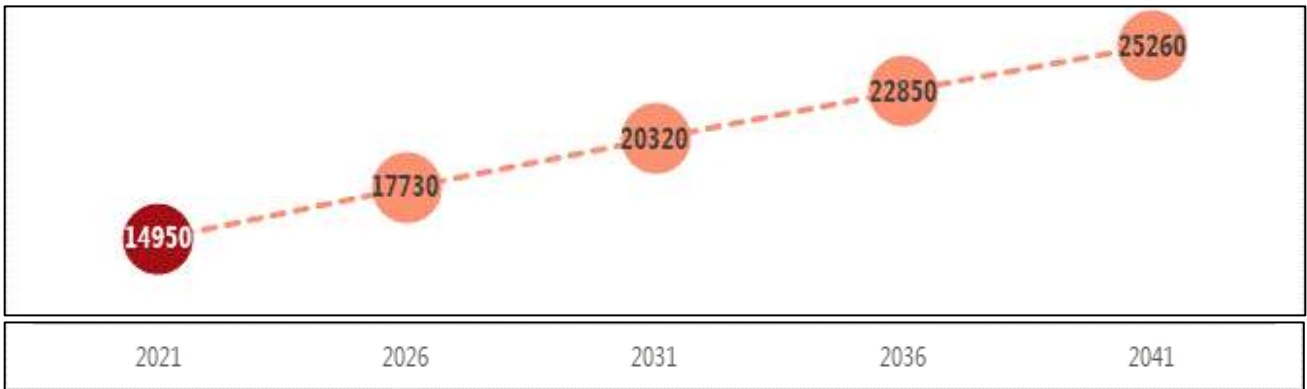
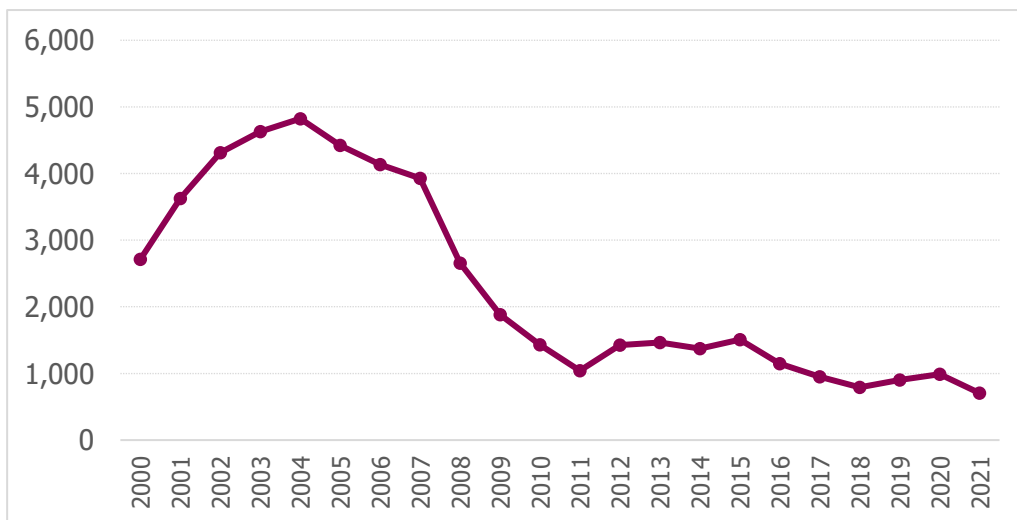


Table 1 Minimum supply of social housing – key statistics (Figures rounded for summary)

41,610	SE households in the target group in 2021
18,690	Number of local social housing dwellings as at 2020
7,970	Estimated number of affordable private rentals as at 2021
-14,950	The shortage of social housing/affordable private rentals as at 2021
-25,260	Projected shortage in the SE region by 2041 if no action taken
1,260	Yearly addition of social housing/affordable private rentals to meet forecast need by 2041
64%	Capacity to meet lower cost rental housing need in 2021

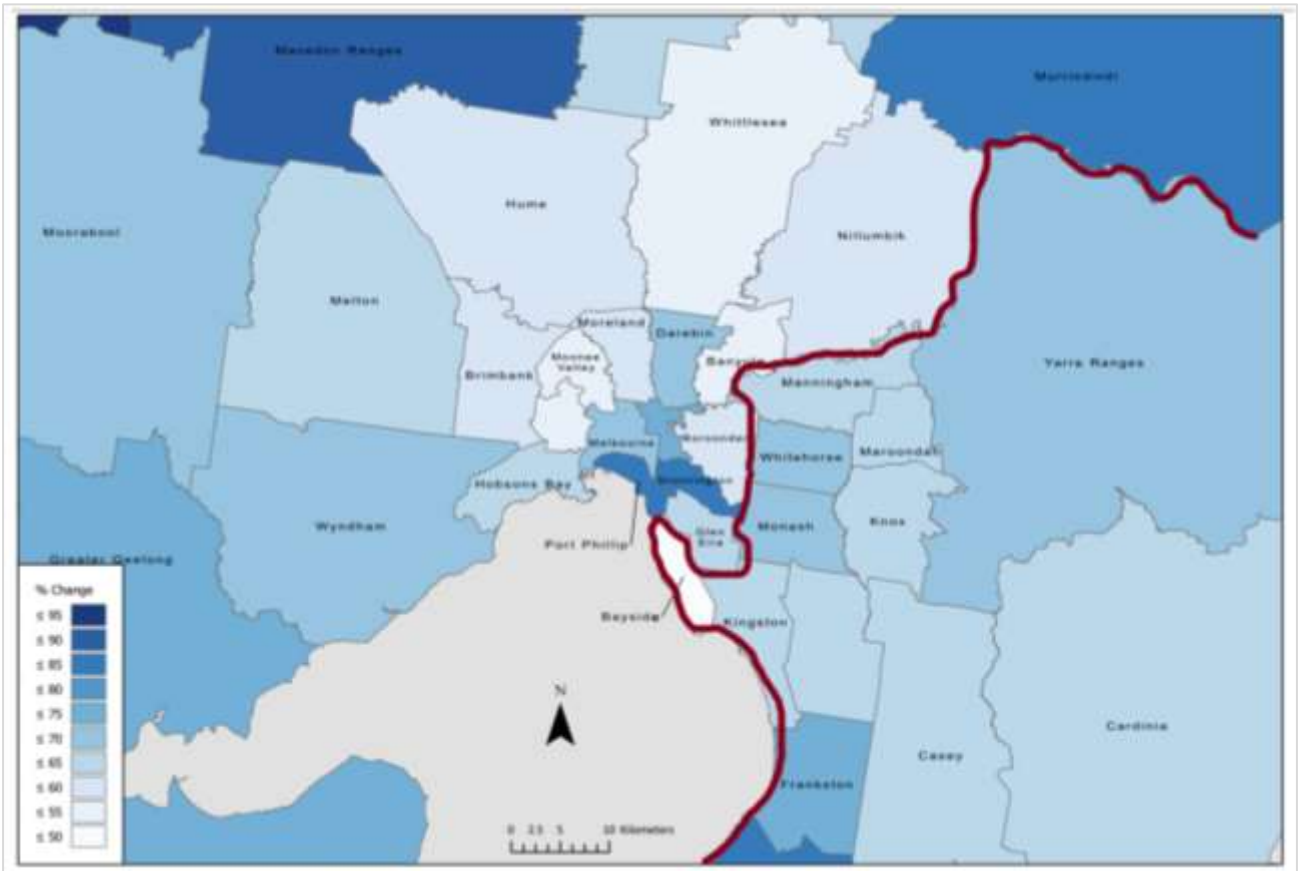
Over the past twenty years, the availability of affordable rental housing in the region has plummeted. The decline in affordable rental stock effectively negates any growth in social housing for the region.

Figure 5 Number of affordable rentals in the Charter region (March quarter(all sixes))



Source: Department of Health and Human Services <https://dhhs.vic.gov.au/publications/rental-report>.

Figure 6 Ten year change in median house price in the Charter region 2010-2020



Source: A Guide to Property Values, Annual analysis of property sales data from Valuer-General Victoria, January-December 2020

Minimum Supply of Social Housing Methodology

The Minimum Supply of Social Housing methodology aims to quantify social housing need and provide methodologically justified estimates of the minimum number of social housing dwellings needed to meet demand in localities to 2041. It was developed by Knox Council in 2010¹² in response to the growing lack of housing affordability and a desire to strengthen its approach to affordable housing.

The methodology deliberately targets social housing as a subset of affordable housing to respond to the needs of the most housing vulnerable in the community and to leverage local government's greater capacity to influence the public sector and social housing market in partnership with social housing providers.

The methodology quantifies the minimum amount of social housing required to meet the needs of a 'target group' of very low-income households (in the lowest 10% of equivalised household incomes, nationally) that do not own their home. It considers the capacity of existing social housing and availability of affordable private rental housing to meet local demand, and so determine the need for social housing (Figure 7).

The approach presumes that the demand and supply conditions at the time of review can be projected into the future using household forecasts. Quantifying the estimated shortfall of low-cost rental housing over a future time period can then be translated into an aspirational annual supply figure to address the deficit.

Figure 7 The Minimum Supply of Social Housing Methodology



The methodology does not represent the full extent of people experiencing housing stress or requiring housing assistance due to affordability issues. It links to the most housing vulnerable households - the lowest 10% of household incomes. The need for government supported social housing and affordable private rental housing goes well beyond this group. Further, the methodology considers the availability of affordable private rentals as an input to determining the need for social housing - assuming that need can be offset by the entire supply of private rentals deemed 'affordable', regardless of 'fit for purpose'. It also assumes that all affordable private rentals are accessed by the most housing vulnerable households - the target group. Neither is the case in reality. Therefore the minimum supply calculations are a very conservative measure of the social housing deficit and the shortfall arrived at for the SE Charter Region, truly a minimum figure.

¹² Defining affordable housing and a minimum supply of social housing for Knox. A methodology for meeting social housing needs, 2010-2030', Knox City Council (2011)

The extent of the challenge for our region - lack of suitable housing stock

There is a stark deficit of affordable housing in the Charter region and a lack of properties suitable for single person households. This causes increased reliance on unsuitable forms of housing and shelter for those on very low income households. Reliance on Rooming House accommodation is increasing across our region and, again, we are overrepresented in Victoria, with over a third of Victorians who live in rooming houses and 37% of Victorians who reside in overcrowded conditions being concentrated in our region.

Evidence suggests that long stays in shared accommodation can result in poor health, wellbeing and educational outcomes for children. The lack of autonomy with respect to shared accommodation presents significant health, wellbeing and safety risks for tenants. It is typical for shared accommodation include AOD users, prison leavers, people with a mental health condition or a disability, and (in some areas) families with children.

These environments are highly stressful for adults because living in close proximity with many highly vulnerable people creates its own challenges and stress, and because people can't move on with their lives while they don't know where they will be living longer-term.

FACTORS IMPACTING ON EXTENT TO WHICH OBJECTIVES, OUTCOMES AND OUTPUTS ARE BEING ACHIEVED

The social, economic and physical housing-market factors impacting the extent to which the objectives, outcomes and outputs of the NHA have been achieved are linked. For our region, the main factors are rising rents in the private rental market and the inadequate supply of social housing¹³. AIHW data shows that the key drivers of homelessness across our region are *housing issues and financial reasons* (50%) and *domestic and family violence* (38%)¹⁴.

Pathways into and out of homelessness and housing insecurity are neither linear nor uniform. Individuals and families who experience homelessness may have little in common with each other, aside from their need for adequate housing. This may be due to a lack of income, poor support networks, family violence, an adverse life event or other health issues¹⁵.

Social and economic factors - needs vary across cohorts and locations

We consider the following as key to addressing the various socio-economic factors at play across our region:

- need to increase JobSeeker by \$95 dollars a week (Newstart & Youth Allowance base rates) in line with ACOSS' 2020 recommendations
- recognise the direct link between family violence and homelessness and the specific needs of this cohort in the design and delivery of homelessness services, support services and social housing
- for young people, invest in Youth Foyers, supported youth accommodation and transitional housing
- prioritise mental health services and fast track options for people who are homeless or at risk of homelessness

The key socio-economic factors include:

¹³ Council to Homeless Persons 2019, 'Making a Difference – Effective Local Government Responses to Homelessness', commissioned by Monash Council October 2019, p.1

¹⁴ *ibid*

¹⁵ S. Gaetz & E. DeJ, *A New Direction: A Framework for Homelessness Prevention*, Canadian Observatory on Homelessness Press, Toronto, 2017, p. 16

- ***Income - low income households are at risk of homelessness***
 - Poverty is unequivocally linked with homelessness with very low-income households at greatest risk of homelessness due to the lack of affordable properties. Income levels differ across the region and the ABS Census 2016 identified all LGA's in the Charter Group as having more households with a combined household income of less than \$650 per week compared to Greater Melbourne (16.7%) ranging from 17.2%¹⁶ of households in Bayside, to 27.4% of households in Frankston¹⁷.
- ***Domestic and family violence - rates in our region are among Melbourne's highest***
 - Victoria Police's Crime Statistics Agency data shows that in areas in our region family violence rates are among the highest in metropolitan Melbourne (areas within Frankston, Casey and Greater Dandenong¹⁸ had the highest rates of family violence police call outs in Melbourne from 1999 to 2018¹⁹.
 - This is a gendered issue in our region as 80% of all family violence incidents are perpetrated on women²⁰, flowing through to increasing numbers of women seeking support to escape family violence, often with no rental history, housing, work or superannuation. This can quickly translate into homelessness for many women and children and is our second highest single cause of homelessness in our region.
- ***Early exposure to homelessness makes it more likely later in life***
 - Nationwide there has been a 284% increase over the past five years in the number of school students attending Specialist Homelessness Services²¹ and there are elevated rates of early childhood exposure to homelessness currently trending across our region. Evidence suggests that early exposure to homelessness makes a repeat episode more likely later in life and heightens the risk of chronic homelessness²². Trauma during childhood can have long lasting effects on an individual's future circumstances.
- ***Educational attainment – early school leavers can be disadvantaged***
 - One-third of homeless adults have a high school attainment below year 10²³. School engagement is recognised universally as a protective factor for young people, with youth homelessness and early school leaving being intimately related. Additionally, more years of schooling lead to higher lifetime incomes, calculated in Australia to be 10% more for each additional year of schooling after nine years²⁴.
- ***Timely access to mental health services can prevent homelessness***
 - People experiencing homelessness have complex and interconnected needs, and mental health issues often play a role. In 2018, 17,772 Victorians who presented at homelessness services cited mental health as one of the reasons they needed help. We support the argument advanced by

¹⁶ See <https://profile.id.com.au/bayside/household-income-quartiles>

¹⁷ See <https://profile.id.com.au/frankston/household-income-quartiles?BMID=20>

¹⁸ Crime Statistics Agency Victoria, Family Violence Incidents by Local Government Area, 2018/2019

¹⁹ *ibid*

²⁰ See <https://www.aihw.gov.au/reports/domestic-violence/family-domestic-sexual-violence-in-australia-2018/contents/summary>

²¹ See https://bridges.monash.edu/articles/Responding_to_the_shadow_pandemic_practitioner_views_on_the_nature_of_and_responses_to_violence_against_women_in_Victoria_Australia_during_the_COVID-19_restrictions/12433517

²² Australian Institute of Health and Welfare, 2018. Specialist Homelessness Services Collection Victoria, 2016

²³ See <https://www.abs.gov.au/ausstats/abs@.nsf/Lookup/4102.0Main+Features20March+Quarter+2012>

²⁴ See https://publiceducationfoundation.org.au/wp-content/uploads/2018/04/Issues-Paper_What-Price-The-Gap.pdf

Justice Connect that to effectively end homelessness, we must make mental health a priority²⁵.

- The transitioning of community mental health outreach services to the National Disability Insurance Scheme (NDIS) has been a significant factor of people experiencing homelessness. Participants in programs like Personal Helpers and Mentors services (PHaMs) and Partners in Recovery (PIR) were completely cut off in the Southern Metropolitan Region during the rollout of the NDIS and many clients still cannot access appropriate support, and transition packages are inadequate.

Housing market factors – we lack suitable, diverse and affordable housing

The housing market in Australia is principally privately owned, driven by competitive market forces, and stimulated by years of government subsidies, landlord tax breaks, and interest rate cuts. Rapid population growth and increased housing demand places Australia in a perfect storm for increased homelessness and need for social and affordable housing for lower income households.

We consider the following as key to begin to address housing market factors that contribute to increased rates of homelessness and inadequate supply of social housing:

- introduce a National Housing and Homelessness Strategy (see Introduction)
- incentivise the provision of social and affordable housing through financial incentives for private provision of affordable housing, including build-to-rent and rent-to-buy initiatives
- identify and fund best practice models of social housing and housing support, geared towards specific needs and opportunities at a local and regional scale
- introduce a requirement for mandatory contributions (through *Inclusionary Zoning*) within state level planning schemes/provisions

Key market factors include:

- ***the shortage of affordable private rental housing and higher median rents***
 - affordable housing is where rent is no greater than 30% of total household income²⁶
 - low-income families are also under enormous pressure with housing affordability; 10 years ago 30% of rental properties in metropolitan Melbourne were considered affordable to struggling families, however, it is now just 5.1%²⁷
 - Anglicare identified that of the 69,485 properties listed for rent in Australia on March 23, 2019 only one property was affordable to a person receiving Youth Allowance and two properties were affordable for a single person on Newstart²⁸. In 2017 the Department of Health and Human Services (DHHS) identified less than 0.5% cent of rental properties were affordable to people solely on Newstart (now JobSeeker) or Youth Allowance in metropolitan Melbourne, and that people solely on disability or aged pensions were only marginally better off
 - the shortage is most acute in capital city areas of Sydney, Hobart and Melbourne²⁹, in metropolitan Melbourne the proportion of new affordable private market lettings decreased to 7% in December

²⁵ Justice Connect, Creating a fairer and stronger community for Victorians experiencing mental illness, homelessness & housing insecurity, Submission to the Royal Commission into Victoria's Mental Health System, July 2019

²⁶ L. Henriques-Gomes, "Homelessness becoming concentrated in Sydney and Melbourne", The Guardian, 30 May 2019 <https://www.theguardian.com/australianews/2019/may/30/homelessness-becoming-concentrated-in-sydney-and-melbourne-studyfinds>

²⁷ DHHS, (2017) Rental Report: December Quarter <<https://dhhs.vic.gov.au/publications/rental-report>>

²⁸ Anglicare Australia (2019) Rental Affordability Snapshot National Report <https://www.anglicare.asn.au/our-work/research-reports/the-rental-affordability-snapshot>

²⁹ L. Henriques-Gomes, "Homelessness becoming concentrated in Sydney and Melbourne", The Guardian, 30 May 2019 <https://www.theguardian.com/australianews/2019/may/30/homelessness-becoming-concentrated-in-sydney-and-melbourne-studyfinds>

2019³⁰ and as low as 0.5% in our region (Bayside) and for nine councils, below 5% in December 2019

- there is an undersupply of single bedroom dwellings to support the high proportion of lone person households in our region, with between 15% (Casey) and 27% (Frankston and Mornington Peninsula) of properties tenanted by lone person households
- on average, the supply of 0-1 bedroom properties for our region represents only 1.3% of all housing stock (or 27,634 properties) compared to 3.5% for metropolitan Melbourne. Of these only 884 dwellings were deemed affordable for low and very low income earners across our whole region²⁹

- ***social housing shortfalls are pronounced***

- social housing is critical infrastructure and is the best solution for homelessness prevention and early intervention for low-income households
- 15,200 dwellings are estimated to be needed each year for the next decade to meet current very low and low-income household need³¹ in our region
- in Victoria, social housing is only 3.42% of all dwellings. At October 2019 there were 44,152 Victorian households on the wait list for social housing, including 17,717 households in the south and east of Melbourne³²
- social housing rents are capped at 25 or 30% of household income³³ and in most cases social housing is among the only form of housing a JobSeeker recipient can afford
- social housing supply is reducing while demand grows. Victorian Government research in 2016-17 (in response to the Royal Commission into Family Violence) identifies:
 - 1,700 more social housing homes are needed each year over the next 20 years to maintain the current 3.5% social housing share of the total homes in Victoria
 - Double this amount is needed over the next 20 years if lower income households, currently facing housing stress in the private rental market are to have affordable housing³⁴

- ***Early intervention (a Housing First approach) is almost impossible in our region***

- Only one emergency accommodation service supports 2 million residents and the estimated 7,916 people experiencing homelessness in our region. This single service manages four family units, nine single units, two rooms for couples and three women only places, and is clearly inadequate meaning early intervention is unlikely for other than a small handful of cases.
- Emergency accommodation providers and Specialist homelessness services in our region are often unable to assist people, or can only offer costly, inappropriate (and often unsafe) accommodation such as motel rooms and rooming houses. The only emergency accommodation provider located within our region, advised that the demand for their service is far beyond their capacity to support, noting that in 2019 over 500 women were turned away, unable to be assisted by their service.

³⁰ Rental Report December Quarter 2019, Victorian Department of Health and Human Services 2019

³¹ Department of Health and Human Services, Victorian Government 2017, 'Victoria's Social Housing Supply Requirements to 2036', p.3, <https://www.vic.gov.au/sites/default/files/2019-06/Victorias-social-housing-supply-requirements-to-2036.pdf>

³² See http://www.nwhn.net.au/admin/file/content2/c7/A%20crisis%20in%20crisis%20doc%20final%20040219_155_0142202053.pdf

³³ Making a Difference – effective local government responses to homelessness, Council to Homeless Persons, commissioned by Monash Council, October 2019

³⁴ Department of Health and Human Services, Victorian Government 2017, 'Victoria's Social Housing Supply Requirements to 2036', p.3, <https://www.vic.gov.au/sites/default/files/2019-06/Victorias-social-housing-supply-requirements-to-2036.pdf>

- 'Housing First' quickly connects individuals and families experiencing homelessness to permanent housing and support services without preconditions or barriers to entry (such as sobriety, treatment or service participation). It recognises that safe and stable housing is a pre-condition to being able to address the factors leading to homelessness and is widely supported as effective in addressing cyclical and chronic homelessness. 'Housing First' recognises that housing is a human right, and that client support is separate and not conditional to housing³⁵.
- **Overcrowding is exacerbated for those on SRSS program support**
 - Overcrowding is particularly prominent in Greater Dandenong, which is also the municipality with the highest number of asylum seekers in the region. Overcrowding can be conceived of as a community response to preventing people being forced into rough sleeping
 - The Federal Government has a responsibility to provide support to people until they get the outcome of their asylum claims and can move forward with their lives in a positive way.
 - The Status Resolution Support Services (SRSS) Program provides essential and basic support to individuals and families living in the Australian community while they await a decision about their refugee status, and further cuts are likely to create even greater homelessness risks for asylum seekers.
- **Mandatory contributions towards affordable housing should be required nationally**
 - Australian Housing and Urban Research Institute (AHURI) developed an 'Understanding Inclusionary Zoning Brief' in 2017 to demonstrate how land use planning systems can be leveraged to deliver more social and affordable housing through Inclusionary Zoning (IZ).³⁶
 - IZ requires a proportion of multi-dwelling developments to be affordable (ideally 10%) and social housing (ideally 5%) and is voluntary in many jurisdictions across Australia,
 - Successful examples of mandatory IZ exist such as in London and New York.³⁷ A Ministerial Advisory Committee and Panel Report³⁸ have identified local approaches can be appropriate to address a gap at state level (as for Environmentally Sustainable Design). South Australia has made IZ mandatory³⁹ and, with the ACT have clear policy directions regarding affordable and social housing This has resulted in steady increases in social and affordable housing. In the US and UK shared equity/ community land trust models are widely used to supply social and affordable housing.
 - Since 2018 the Victorian Government has encouraged councils to negotiate directly with developers via Section 173 agreements under the State Planning and Environment Act 1987. This has led to an ad-hoc and inefficient approach that has failed to address unmet housing need or deliver any sizeable numbers of affordable dwellings.
 - Embedding mandatory IZ requirements into the NHHAA, with targets will commit planning authorities nation-wide to deliver affordable and social dwellings efficiently and at scale across Australia.

³⁵ DHHS Towards Home <https://www.housing.vic.gov.au/other-housing-projects>

³⁶ AHURI Final Report No. 120, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/120>

³⁷ *New directions in planning for affordable housing: Australian and international evidence and implications*, Gurrán, N., Milligan, V., Baker, D., Beth Bugg, L., Christensen, S. (2008)

³⁸ Advisory Committee and Panel Report, Environmentally Efficient Design Local Policies, April 2004 [http://www.portphillip.vic.gov.au/Environmentally_Efficient_Design_AC_Report\(1\).pdf](http://www.portphillip.vic.gov.au/Environmentally_Efficient_Design_AC_Report(1).pdf)

³⁹ AHURI Final Report No. 120, Australian Housing and Urban Research Institute Limited, Melbourne, <https://www.ahuri.edu.au/research/final-reports/120>

PERFORMANCE MONITORING AND REPORTING (TOR 3, 4, 5, 8)

The Charter Group recognises the importance of access to quality, timely and accurate data to support service planning and delivery, performance monitoring, transparency and accountability under the NHHA.

There is a lack of visibility of how social housing provision is responding to localised need. State data on social housing is not available publicly and data shared with councils is not live data. NIFIC, for example, does not appear to actively respond to localised needs as it relies on individual organisations making direct project specific applications with little or no local justification or verification of need.

Improved access to current data will support policy development and service planning

For the Charter Group, while access to data itself will not overcome the current inadequacy of homelessness support services and social housing to meet current needs due to decades of underfunding, access to data is critical for councils to effectively influence the amount of social housing in their local area and to facilitate effective, place-based service provision.

In addition to our use of the Minimum Supply of Social Housing Methodology, for homelessness rates there are two data sources available to councils: the ABS Census data every five years and AIHW service data collected monthly. Together they provide a good indication of the numbers, drivers and types of homelessness across our region, but have limitations.

Access to data could be improved through:

- State government level collation and release of authoritative homelessness and housing data annually relevant to each Local Government Area, including progress against regional social housing targets
- Australia Institute of Health and Welfare (AIHW) providing interactive data at postcode and LGA area geographies on their dashboard
- the delivery of National street counts at regular intervals as undertaken by the City of Melbourne⁴⁰
- an agreed homelessness definition to reduce undercounting

Guidance and direction is lacking from government regarding sources of data, methodologies and assumptions that should be used to understand and project housing need and future demand. This is inefficient and councils must purchase data and commission specialist research and analysis in parallel that does not aggregate across councils.

Adequacy and quality of data is impacted by available training and resources

The adequacy and quality of data and information for housing and homelessness services is impacted upon by the training and resources that are available for input of data by housing and homelessness services.

Community information and support centres and Specialist homelessness services are understood to receive funding from Federal and State governments. However, local experience indicates that the funding received is not sufficient to adequately service demand. When this happens there is clearly a risk that data input may become a second priority to meeting urgent needs of clients and that the quality of data input may therefore suffer as the demands upon workers become excessive and unsustainable.

⁴⁰ City of Melbourne Street Count <https://www.melbourne.vic.gov.au/community/health-support-services/social-support/what-we-are-doing/Pages/streetcount.aspx>

Local experience has also shown that some data systems are used to different extents by some agencies. Agencies may also establish duplicate systems to create evidence that will attract additional charitable contributions to top up inadequate government funding.

For Community Information and Support Centres an improved integrated data system that can capture more consistent information about homelessness as well as the nature of material aid is recommended. It should also be designed to become more efficient, intuitive and user friendly to make a real difference to data quality.

Performance monitoring and reporting framework

This framework should include a requirement for additional reporting by local government area for at least the following indicators:

- ***Number, acquisitions and upgrades of social dwellings***
 - reporting on the number of beds/units that are in diverse types of accommodation (e.g. Crisis accommodation, youth refuges, youth foyers, residential aged care, enduring mental health issues, specialist disability accommodation)
- ***Homelessness measures***
 - reporting of this data at a local government scale would assist in identifying gaps in the housing and homelessness system.

NHHA data improvement

The NHHA, Schedule C, requirements for a Housing and Homelessness Data Improvement Plan and the resultant NHHA Schedule E Housing and Homelessness Data Improvement Plan 2019-2023 are strongly supported.

This could be improved through:

- adequate funding for improvement of data systems.
- annual public reporting on progress towards the Plan including a requirement for website publication (e.g. on the AIHW's Housing Dashboard)
- a review and strengthening of the Plan with greater detail including:
 - specific targets for the output of longitudinal data
 - what indicators should include output by local government area
 - whether indicators of homelessness (including longitudinal data) can be gleaned from Services Australia data associated with welfare payments

The Data Improvement Plan E6, includes an agreed outcome that "The HHDWG will determine the value and relative priority in measuring the prevalence of homelessness more frequently, outside of the Census". Progress towards this is unknown.

We note that [Homelessness Australia](#)⁴¹ is currently supporting the introduction of a Housing First approach with “By Name Lists” to measure homelessness in various regions and cities. This data is a major improvement on mainstream data collections, however further investigation is required in terms of policy and data improvement to establish whether this approach should be consistently rolled out across Australia and, if so, what the most effective data system approach would be to support it.

3.2 Issues across the housing spectrum

This section of the Issues paper discusses:

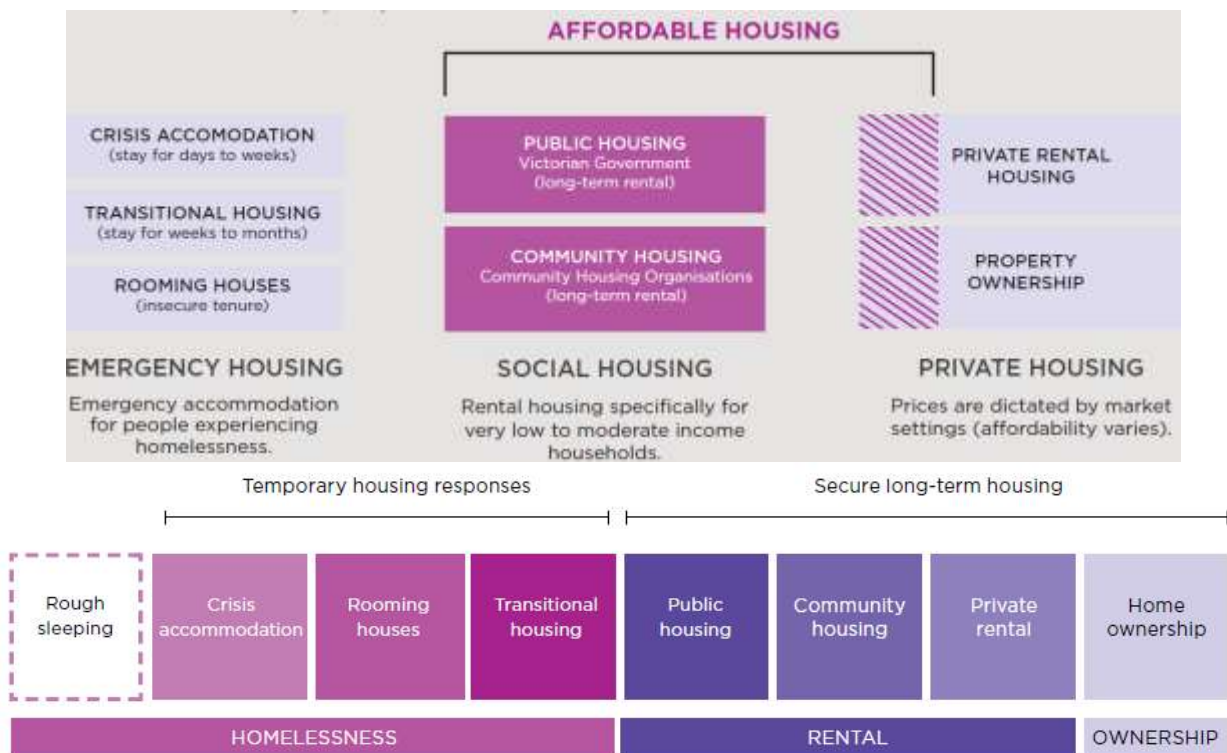
- Homelessness, Social Housing, Affordable Housing and assistance for low income renters, the private rental market, home ownership and housing outcomes for Aboriginal and Torres Strait Islander people (TOR 9, 10)

The Charter Group’s focus is on homelessness and social housing. While social housing is a major contributor to affordable housing supply, affordable private rentals and affordable home ownership have a role to play, they are not our focus.

Our response in 3.1 includes issues relevant to homelessness, social housing and affordable private rentals in the east and south of Melbourne, including the need to fund and tailor homelessness support services to local need, and to increase the number and diversity of public and community housing.

We note the housing spectrum (continuum) is defined differently by different stakeholders, according to security of tenure, the nature of funding and housing provision and would benefit from nationally agreed terminology.

Figure 8 Housing Spectrum as defined in the draft & final City of Melbourne Affordable Housing Strategy⁴²



⁴¹ [Housing First – Homelessness Australia](#)

⁴² The 2020 [Affordable housing - City of Melbourne](#) Strategy and draft https://participate.melbourne.vic.gov.au/download_file/6879/2058

CONDITIONS TO BE ELIGIBLE FOR FUNDING UNDER THE NHHA

To achieve intended outcomes

To achieve the NHHA intended outcomes, the conditions to be eligible for funding would need refinement and updating. For instance, to achieve “*a well-functioning social housing system that operates efficiently, sustainably...*” there ought to be a clear vision for all stakeholders to be working towards.

The Charter Group suggests that a commitment to Housing First could anchor such a vision and recognise the fundamental human right of housing for all Australians.

To enhance transparency and accountability

To enhance transparency and accountability for agreed outcomes through public investment in housing and homelessness services, approaches need to be tailored across the full housing spectrum and take local needs and conditions into account.

These conditions should reflect a comprehensive, coordinated and integrated approach to address the range of housing challenges, risks and opportunities across the housing continuum from crisis/ transitional housing, social and affordable housing, the rental market and private market ownership.

A strategy or policy at one end of spectrum can positively or negatively influence outcomes at the other, reinforcing the need for a National Strategy that focuses on the housing continuum in its entirety and the housing policy area holistically. The Strategy could set out guiding principles that reflect best practice and encourage collaboration and planning amongst multiple sectors and tiers of government.

Again, we stress the importance of data to the achievement of NHHA outcomes. The NHHA could set out conditions for a consistent and agreed method to collect and share data that can honour the complexity of homelessness but also provide accurate and live (or timely) data reflective of local contexts and conditions. This data would also enhance councils understanding of homelessness, enhance planning, resource allocation, inform nuanced approaches to situations and teach us different approaches and strategies in prevention.

Access to state provided local data about local demand and social (and affordable) housing needs would inform the development of a Community Vision, Council Plan, Health and Wellbeing Strategy and Planning Scheme reviews. In the context of the Victorian Big Build, data that would assist councils to understand the local needs for social and affordable housing includes a quarterly report (if unable to access a live dashboard) on:

- known State priorities for the provision of social housing by type, amount and location / LGA, and social housing projects that are in the pipeline but may be unknown to local government
- data showing comparative demand and movement of social housing residents between municipalities (to avoid displacement of longer term local residents in need)
- State priorities for the provision of specialist housing with operational funding for specialised housing supports (e.g. crisis accommodation and support for young people, youth foyers, for victims of family violence, for people exiting the justice system, for people exiting the hospital system with complex needs)
- supply data - rolling average vacancy numbers of social housing dwellings at a municipal level
- demand data - raw de-identified data (or at least reports analysing data) associated with the Victorian

Housing Register (VHR) including:

- a) Data extraction by DFFH Divisions, DFFH Offices and DFFH districts.
- b) Any data that can be extracted at a municipal level
- c) Demand data by Transfer Lists of the VHR
- d) Demand data by the Priority Access List of the VHR
- e) Demand data by the Register of Interest list of the VHR
- f) Demand data for housing type (e.g. by size of bedroom) including preferences by district.
- g) Demand data by Priority Category and Priority Type in the Priority Access List and the Register of Interest List and as a total
- h) Any data showing movement of social housing residents between municipalities
- i) Any data showing demand for applicants to reside (as one of their preferences) within their current municipality.
- j) Demand by Aboriginal and Torres Strait Islanders
- k) Demand by young people
- l) Demand by older people

THE EXTENT TO WHICH THE NHHA IS MEETING THE OBLIGATIONS OF GOVERNMENTS UNDER AUSTRALIA'S DISABILITY STRATEGY

While the Charter Group does not have a clear view of the extent to which the NHHA is meeting the obligations of governments under Australia's Disability Strategy, it is clear to us that NHHA would benefit from adding people with a disability to the national priority homelessness cohort list.

This would recognise:

- the high rates of economic vulnerability amongst this cohort
- their significant need for affordable housing
- the special needs relating to accessibility (to essential services as well as accessibility relating to well-designed homes),
- government responsibility to support people with a disability to reach their full potential

Of those people with disabilities, of those who are NDIS eligible only 6% are estimated to qualify for Specialist Disability Accommodation (SDA) housing payments, suggesting significant unmet and unfunded need. Despite this, as SDA housing support funding received can greatly exceed JobSeeker and Youth Allowance recipient's income (and therefore rent paid), this may create a perverse market incentive and work against a fully integrated, dispersed and supported supply response.

3.3 The supply side of the housing market

Planning and land use regulation

The role of the planning and land use regulation system in supporting the objectives of the NHHA is important but limited and often overstated. The planning and land use regulation system supports a far

broader range of social, economic and environmental objectives, and must balance a complex range of competing needs.

The shortfall in social housing is the result of decades of underfunding and of rent income for social housing failing to keep pace with costs,

The Charter Group notes that the Victorian State Government has recently backed away from its plans to introduce a levy on development to contribute towards funding social housing, and to further streamline the planning permit approvals process to facilitate social housing.

The Charter Group believes that the implementation of a mandatory contribution (IZ) towards social housing requires a national approach to be politically acceptable across all stakeholders and be effectively implemented.

4. Concluding remarks

The Charter Group advocates strongly that homelessness and social housing policy, strategy and services need to reflect and respond to local and regional circumstances and be informed by specific insights gained through operating at a local and regional level.

The Charter Group of councils are seeking systemic change to increase the supply of permanent, safe, appropriate and timely housing for the most vulnerable members of our community and to embed 'Housing First' as a key foundational principle, fundamental for health, recovery and safety.

Through a revised NHHA, we hope to see

- a sharper focus on homelessness prevention, funding of homelessness services and a Housing First, person-centred approach
- a sustainable funding stream to reverse the decline in the supply of public and community housing and to improve maintenance and upgrade of existing stock
- a recognition that while land use planning has a role to play, social housing requires a subsidy
- improved data collection and sharing
- expansion of priority cohorts to include low-income households; people seeking asylum; people with a disability and people experiencing a severe and enduring mental illness.