

Report to the Future Melbourne Committee**Agenda item 6.7****National Housing and Homelessness Plan Issues Paper – City of Melbourne Submission****24 October 2023****Presenter:** Vijaya Vaidyanath, CEO Homes Melbourne**Purpose and background**

1. The purpose of this report is to seek approval of the City of Melbourne Submission to the National Housing and Homelessness Plan Issues Paper.
2. To support more Australians to access safe and affordable housing, the Australian Government is developing a National Housing and Homelessness Plan (the Plan) in collaboration with state and territory governments. The Plan will be a 10-year strategy. It will set out a shared vision to inform future housing and homelessness policy in Australia.
3. As part of the development of the Plan, the Australian Government has released an Issues Paper on Housing and Homelessness in Australia (Issues Paper).
4. The Issues Paper poses a series of questions under six themes: homelessness, homelessness services, social housing, Aboriginal and Torres Strait Islander housing, housing costs and climate change. A copy of the Issues Paper can be found at Attachment 2.
5. City of Melbourne has prepared a submission (Submission) to the Issues Paper based primarily on existing Council positions, policies and strategies (refer to Attachment 3).

Key issues

6. The development of a National Housing and Homelessness Plan is welcomed and something the housing and local government sectors have been calling for over many years. It is an opportunity to establish a strong vision, coordinate the efforts of all tiers of government and key stakeholders in addressing the housing crisis, and provide clear direction and government roles for housing and homelessness responses over the next 10 years.
7. However, the positioning of the Issues Paper is not ambitious in tackling the core issues impacting housing and homelessness challenges, and does not address matters that are critical to the cost and distribution of support services and housing (e.g. tax incentives for investors, costs to the sector).
8. There is a strong focus on planning, zoning and development. This reflects recent public discourse claiming that planning is the main barrier to housing supply, and therefore housing affordability. The Submission provides evidence and examples to counter this claim.
9. The Submission calls for the Australian Government to:
 - 9.1. Take a bolder, more innovative and more equitable approach to tackling the homelessness and housing crisis, and address known issues and challenges.
 - 9.2. Acknowledge their important leadership role and acknowledging the vast policy, taxation and funding levers available to the federal government and ensure these levers are targeted to support those in greatest need.
 - 9.3. Provide greater clarity regarding the roles and responsibilities of federal, state and local government and establish ways to work effectively in partnership with others, such as the private, non-for-profit and community housing sectors; and the community.
10. The Submission provides a response to each of the six themes and general recommendations including significant discussion, and identifies opportunities relating to local, state and federal government.

Recommendation from management

11. That the Future Melbourne Committee approves the City of Melbourne Submission to the National Housing and Homelessness Plan Issues Paper (Attachment 3 of the report from management).

Attachments:

1. Supporting Attachment (Page 2 of 130)
2. National Housing and Homelessness Plan Issues Paper (Page 3 of 130)
3. City of Melbourne Submission to the National Housing and Homelessness Plan Issues Paper (Page 87 of 130)

Supporting Attachment

Legal

1. There are no legal implications.

Finance

2. There are no financial implications.

Conflict of interest

3. No member of Council staff, or other person engaged under a contract, involved in advising on or preparing this report has declared a material or general conflict of interest in relation to the matter of the report.

Health and Safety

4. In developing this proposal, no occupational health and safety issues or opportunities have been identified.

Stakeholder consultation

5. The consultation period for the Issues Paper opened on 7 August and closed on 20 October 2023.
6. City of Melbourne has submitted its response to the Issues Paper (as per Attachment 3). Any updates to this resolution will be provided as an addendum.

Relation to Council policy

7. The recommendations in this report are pursuant to:
 - 7.1. Affordable Housing Strategy 2020–30
 - 7.2. Council Plan 2021–25, Major Initiative 44 to 'coordinate and facilitate more affordable housing for key workers and people on low incomes'
 - 7.3. Health and Wellbeing Action Plan 2021–25
 - 7.4. Climate Change Mitigation Strategy 2030.

Environmental sustainability

8. Environmental sustainability is embedded in the Submission at 3.6, including principles relating to the climate and biodiversity emergency, improving the sustainability of new and existing housing stock and resilience in extreme weather.

National Housing and Homelessness Plan Issues Paper



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Acknowledgements

We acknowledge and pay respects to all Aboriginal and Torres Strait Islander peoples across Australia, who are the Traditional Owners and Custodians of the land and waters and of the oldest continuous living culture on Earth. We pay respects to Elders past and present.

We acknowledge the National Housing and Homelessness Plan will be developed and implemented on Aboriginal and Torres Strait Islander land. We honour Aboriginal and Torres Strait Islander peoples' ongoing connection to sea, waterways and Country and respect their unique cultural and spiritual relationships to the land, waters and seas on which we live and work.

We respectfully use the terms 'Aboriginal and Torres Strait Islander' and 'Indigenous' in this document to refer to Aboriginal People and Torres Strait Islanders of Australia and First Peoples. We acknowledge other cultural names may be preferred.

The Department of Social Services (DSS) would like to acknowledge the lived experiences of individuals and families impacted by homelessness and housing stress.

DSS would also like to dedicate this Issues Paper to artist Rodney Mallee whose artwork, titled *City Sunlight*, is featured on the cover of this paper. Rodney experienced chronic homelessness over eight years, relying on art as a means to escape and feel happy.

Rodney has been supported to create and sell his art by *Open Canvas*. *Open Canvas* is a social enterprise that empowers artists from a range of backgrounds, including people who have lived experience of homelessness, people who have experienced substance abuse and addiction, people on low incomes within supported and crisis accommodation, and people living with mental health issues and disability.

DSS would also like to acknowledge and thank all the people and organisations who work tirelessly every day to support and respond to those who need it most.

How to engage with this Issues Paper



The Australian Government has released this Issues Paper on Housing and Homelessness in Australia to provide a brief overview of some of the known issues in different parts of the housing and homelessness systems and seek your views to help inform the development of a National Housing and Homelessness Plan (Plan). The Plan will be a 10-year strategy to help more Australians access safe and affordable housing. It will set out a shared vision across all levels of government to inform future housing and homelessness policy in Australia, and key short, medium and longer-term reforms needed to address housing and homelessness challenges.

The Issues Paper poses a series of discussion questions. You are invited to share your ideas and experiences by either responding to guided, short-form questions or lodging a written submission. For further information about how to provide your views, please see *1.4 Have your say*.

Minister's foreword

Australia is facing significant housing challenges. Many of these challenges disproportionately affect low-income earners such as young Australians, older Australians and those living in regional, rural and remote areas.



Many Australians face additional housing challenges. Inadequate housing creates barriers for women and children leaving family and domestic violence. Overcrowding remains a significant issue in many Aboriginal and Torres Strait Islander communities. People with disability can struggle to find affordable housing and are more likely to live in social housing compared to people without disability. People who have recently transitioned from the Australian Defence Force to civilian life have a higher risk of experiencing homelessness.

While all levels of governments have taken significant action to address housing supply, affordability and the delivery of social and affordable housing, more needs to be done to improve outcomes across the housing spectrum. Governments cannot address these issues in silos, and a national approach is needed. Addressing the shortage of secure and affordable housing along with homelessness requires a more coordinated approach. This is why the Australian Government is developing the National Housing and Homelessness Plan in close collaboration with state and territory governments and local government associations.

The Plan will set out a 10-year national vision, across the responsibilities of different levels of government, to help guide future housing and homelessness policy. It will consider the full spectrum of housing and homelessness challenges, from homelessness to home ownership. It will acknowledge relevant state and territory strategies and programs, identify gaps and set out policy objectives for the future.

National leadership and a strong focus on stable and affordable housing is fundamental to the Australian Government's ambitious housing reform agenda. To support this agenda, National Cabinet has re-established the Housing and Homelessness Ministerial Council as a forum for Commonwealth, state and territory ministers to progress critical housing and homelessness reforms, including improving housing supply, affordability and accessibility, and pathways out of homelessness.

This Plan extends broader than government. Its success is dependent on support from the housing and homelessness sectors, not-for-profits and private industry because Government action alone cannot address Australia's housing challenges. Your ideas and experiences will help inform a national plan, enabling long-term change for individuals and families impacted by housing insecurity and homelessness. I encourage you to contribute your views about the Plan using this Issues Paper as a guide.

In working together, governments, communities and the private and not for profit sectors can help ensure more Australians have access to the security and dignity a home brings.

A handwritten signature in blue ink that reads "Julie Collins".

The Hon Julie Collins MP
Minister for Housing, Minister for Homelessness

Help and support

If you or someone close to you is in distress or immediate danger, please call **000**.

Crisis support

Lifeline	National charity providing all Australians experiencing emotional distress with access to crisis support and suicide prevention. Available 24/7.	13 11 14 www.lifeline.org.au
National Suicide Call Back Service	Nationwide service providing telephone and online counselling to people affected by suicide. Available 24/7.	1300 659 467 www.suicidecallbackservice.org.au
Thirrili Postvention Response Service	Indigenous Suicide Postvention Response Service supporting individuals, families and communities affected by suicide or other significant trauma. Available 24/7.	1800 805 801 www.thirrili.com.au/postvention-support
1800RESPECT	National service providing domestic, family and sexual violence counselling, information and support.	1800 737 732 www.1800respect.org.au

Mental health support and advice

Beyond Blue	Information and support to help anyone in Australia achieve their best possible mental health. Available 24/7.	1300 224 636 www.beyondblue.org.au
13 YARN	Support line for mob who are feeling overwhelmed or having difficulty coping. Available 24/7.	13 92 76 www.13yarn.org.au
Kids Helpline	Free, confidential online and phone counselling for young people aged 5 to 25. Available 24/7.	1800 551 800 www.kidshelpline.com.au
Open Arms – Veterans & Families Counselling	Mental health support for Navy, Army and Air Force personnel, veterans and their families. Available 24/7.	1800 011 046 www.openarms.gov.au
QLife	Anonymous and free LGBTIQ+ counselling and referral service for all Australians. Open 3pm to midnight 7 days a week.	1800 184 527 www qlife.org.au

Financial support and advice

National Debt Helpline	A single contact point for people to access financial counselling, either immediately on the phone, or through a referral to another service.	1800 007 007 www.ndh.org.au
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Centrelink	Centrelink social workers can provide support to Centrelink customers and provide information about community support services.	132 850 www.findus.servicesaustralia.gov.au
Department of Veterans' Affairs	A single contact point for veterans and their families to access financial assistance and wellbeing supports, and facilitates access to mental health counselling.	1800 VETERAN (1800 838 372) www.dva.gov.au

Disability and carer support

Disability Gateway	Assistance for all people with disability, their families and carers to locate and access services across Australia.	1800 643 787 NRS 1800 555 677 Interpreter 13 14 50 www.disabilitygateway.gov.au
Carer Gateway	Carers can access individually tailored services within their local area through Carer Gateway service providers.	1800 422 737 www.carergateway.gov.au
National Disability Insurance Scheme (NDIS)	The NDIS provides funding to eligible people with disability to gain more time with family and friends, greater independence and access to new skills.	1800 800 110 email: enquiries@ndis.gov.au

Crisis accommodation support

If you require support in your local area, you may wish to visit www.askizzy.org.au.

This website connects people in need with housing, a meal, help with money, family violence support, counselling and much more.

If you are in urgent need of accommodation, you may wish to contact one of the following services in your state or territory:

Australian Capital Territory	Onelink 1800 176 468 www.onelink.org.au
New South Wales	Link2Home 1800 152 152 www.facs.nsw.gov.au/housing/help/ways/are-you-homeless
Northern Territory	ShelterMe (08) 8985 4389 www.shelterme.org.au

Queensland	Homeless Hotline 1800 474 753 www.qld.gov.au/housing
South Australia	Homeless Connect 1800 003 308 www.homelessconnectsa.org
Tasmania	Housing Connect 1800 800 588 www.homestasmania.com.au/housing-and-homelessness/housing-connect
Victoria	Crisis and Emergency Accommodation 1800 825 955 or (03) 9536 7777 www.housing.vic.gov.au/crisis-emergency-accommodation
Western Australia	Entrypoint Perth 1800 124 684 www.entripointperth.com.au

Support for people from non-English speaking backgrounds

Translating and Interpreting Service (TIS)	Provides access to phone and on-site interpreting services in over 150 languages.	131 450 www.tisnational.gov.au
Aboriginal Interpreter Service (AIS)	Helps to address language barriers faced by Indigenous people in the Northern Territory.	1800 334 944 Email: ais@nt.gov.au
National Relay Service (NRS)	Allows people who cannot hear or do not use their voice to communicate with a hearing person over the phone.	Voice relay number: 1300 555 727 TTY number: 133 677 SMS relay number: 0423 677 767

1. Purpose

1.1 Towards a National Housing and Homelessness Plan

The Australian Government, in close collaboration with state and territory governments (states), is developing a National Housing and Homelessness Plan (the Plan) to help more Australians access safe and affordable housing. The Plan will set out a shared national vision across the responsibilities of different levels of government to improve housing outcomes and help address homelessness in Australia.

This recognises long-standing calls from the states and territories and non-government organisations for a national plan to identify the key short, medium and longer-term reforms needed to improve outcomes across the housing spectrum and address homelessness.

The Plan will consider the housing system as a whole, providing an opportunity to better unite governments, unions, not-for-profits, industry bodies, superannuation funds and other experts in housing, finance and urban development in achieving better housing and homelessness outcomes across the country. The Plan will also draw on insights from the public, including those with lived experience of housing stress or homelessness.

The Plan will be informed by advice provided by the independent National Housing Supply and Affordability Council. On 1 January 2023, the Australian Government established an interim Council of experts in the fields of housing, homelessness, finance, economics and urban development.

As a party to the National Agreement on Closing the Gap, the Australian Government, working closely with the states, will ensure the Plan supports the Priority Reforms of the National Agreement on Closing the Gap to drive progress towards better outcomes for Aboriginal and Torres Strait Islander people.

1.2 Uniting efforts under a national plan

There have been many national reviews, reports and inquiries into housing and homelessness issues. However, there have been **very few national strategies** dedicated to setting out a long-term agenda and committed actions.¹

The 2022 Productivity Commission review of the National Housing and Homelessness Agreement, *In need of repair*, also pointed to this shortcoming.

Productivity Commission review recommendations

In need of repair: The National Housing and Homelessness Agreement - Study report (2022) recommended that the Australian Government use the National Housing and Homelessness Plan to create a blueprint for reform beyond funding for homelessness and housing services.

¹ The 2008 White Paper [The Road Home](#) sets out a national approach to reducing homelessness. The last national strategy that addresses both housing and homelessness was the 1992 [National Housing Strategy](#).

The Australian Government will consider the recommendations from the Productivity Commission review in shaping the Plan. Given the scale and breadth of the review's findings, the Government is not seeking to replicate the review or the Productivity Commission's consideration of roles and responsibilities of the different levels of government, or the effectiveness of intergovernmental agreements for housing and homelessness.

A national plan for housing and homelessness policy

This Issues Paper canvasses a broad range of housing and homelessness issues to better understand the actions needed by all levels of government, along with private industry and investors, to address these issues.

State governments have developed their own plans to address the housing and homelessness needs of their respective jurisdictions.²

A national housing and homelessness plan will acknowledge relevant state policies and programs to avoid duplicating existing programs and policies, while identifying gaps and setting out shared national policy objectives for the future. The National Plan will complement, rather than replace, existing state plans.

State housing and homelessness plans

Australian Capital Territory [Housing Strategy 2018](#)

New South Wales [Homelessness Strategy 2018–2023](#), [Future Directions for Social Housing, Strong Family, Strong Communities](#) and [Housing 2041: NSW Housing Strategy](#)

Northern Territory [Homelessness Strategy 2018-2023](#) and [Housing Strategy 2020–2025](#)

Queensland [Housing Strategy 2017-2027](#); [Housing and Homelessness Action Plan 2021–2025](#); [Queensland Housing Summit Outcomes Report](#) and [Aboriginal and Torres Strait Islander Housing Action Plan 2019-2023](#)

South Australia [Our Housing Future 2020–2030](#), the [Future Directions for Homelessness Strategy](#), and [Aboriginal Housing Strategy 2021–2031](#)

Tasmania [Affordable Housing Strategy 2015–2025](#) and [Action Plan 2019–2023](#)

Victoria [Homelessness and Rough Sleeping Action Plan](#) and [Homes for Victorians](#)

Western Australia [10-Year Strategy on Homelessness 2020-2030](#) and [WA Housing Strategy 2020 – 2030](#)

The Plan will **set a national vision** and provide:

- a better understanding of the current state of housing and homelessness in Australia and what is contributing to homelessness and housing insecurity
- a clear, long-term vision for the future of housing and homelessness policy in Australia

² Existing state plans may be updated or changed prior to the release of the Plan.

- insights about specific housing and homelessness needs in urban, regional, rural and remote Australia
- ways to improve the collection and use of disaggregated data to design more effective policy approaches and improve monitoring and evaluation
- lessons from other countries and jurisdictions about policies which have led to a decline in rates of homelessness and how these could be adopted in Australia
- strategies for how all levels of government can work together and with the private and community sectors to better support people experiencing homelessness and housing insecurity
- national goals and objectives for housing and homelessness, including how these will be achieved.

1.3 Why now?

The Government is committed to improving housing outcomes

The Plan is one part of the Australian Government's broader housing and homelessness agenda, which includes:

- a \$2 billion Social Housing Accelerator payment to deliver thousands of homes for Australians on social housing waiting lists
- the National Housing Supply and Affordability Council to advise the Australian Government on how to increase housing supply and improve affordability
- the Housing Australia Future Fund to build 30,000 new social and affordable houses in its first 5 years
- the [National Housing Accord](#), which brings together all levels of government, investors, and the residential development, building and construction sector, setting an initial, aspirational target of delivering 1 million new well-located homes over 5 years from 2024, as well as up to 20,000 additional affordable homes
- specific actions under the National Agreement on Closing the Gap to improve housing and homelessness outcomes for Aboriginal and Torres Strait Islander people – these actions include establishing a Housing Policy Partnership, which will create a forum for shared decision-making between Aboriginal and Torres Strait Islander people and governments

- the Housing and Homelessness Ministerial Council established under the National Cabinet framework to provide a forum for Commonwealth and state ministers with responsibility for housing and homelessness to progress critical housing and homelessness reforms, including improving housing supply, affordability and accessibility, and pathways out of homelessness
- the expansion of the [National Housing Infrastructure Facility](#) to provide concessional loans and grants for new social and affordable housing
- the Help to Buy shared equity scheme to assist eligible Australians to buy a home with a smaller deposit and smaller mortgage
- the renaming of the National Housing Finance and Investment Corporation to Housing Australia, alongside streamlining and expanding its functions – Housing Australia will continue to administer the National Housing Infrastructure Facility and the Home Guarantee Scheme (which includes the Regional First Home Buyer Scheme)
- the expansion of eligibility criteria for the First Home Guarantee, the Regional First Home Buyer Guarantee and the Family Home Guarantee, to support more people to achieve home ownership.
- the increase of maximum rates of Commonwealth Rent Assistance (CRA) by 15% to help address rental affordability challenges.
- a one-year extension for the National Housing and Homelessness Agreement to 30 June 2024, to allow for the development of the new arrangements, in consultation with the National Housing Supply and Affordability Council and states and territories.
- a comprehensive package of reforms agreed at National Cabinet that recognises the housing challenges faced by all levels of government to support a national approach to the growth of Australia's cities, towns and suburbs. This includes improving the tax treatment of new build-to-rent projects and Ministers coming back with proposals to increase housing supply, improve planning systems and outline reforms to strengthen renters' rights.

These initiatives are in addition to the Australian Government's commitment to:

- continue the [Safe Places Emergency Accommodation Program](#) to fund the building, renovation or purchase of emergency accommodation for women and children leaving family and domestic violence
- deliver the [Reconnect Program](#) to provide community-based prevention and early intervention for young people aged 12 to 18 years (or 12 to 21 years in the case of newly arrived youth) who are homeless or at risk of homelessness, and their families.

The Plan will unite the delivery of these and other initiatives over the next 10 years.

Other measures

National Cabinet reform package

On 28 April 2023, National Cabinet agreed to a comprehensive package of reforms that recognise the housing challenges faced by all levels of government to support a national approach to the growth of Australia's cities, towns and suburbs.

As part of this package, the Commonwealth is helping to increase the supply of rental housing and reduce pressure on rental prices by improving the tax treatment of new build-to-rent projects where construction commenced after the Budget of 9 May 2023:

- increasing the depreciation rate from 2.5% to 4% a year for eligible build to rent projects
- reducing the withholding tax rate for eligible fund payments from managed investment trusts to foreign residents on income from newly constructed residential build-to-rent properties after 1 July 2024 from 30% to 15%, subject to further consultation on eligibility criteria.

The package recognises encouraging new build-to-rent projects is an opportunity to rapidly increase rental stock that is of high quality, has stable, professional management, and offers good security of tenure to renters.

First Ministers also tasked Planning Ministers, to come back with proposals to increase housing supply and improve planning systems around Australia. These changes support the goal of the National Housing Accord to enhance the responsiveness of supply and provide the housing Australians need.

Housing Ministers will develop a proposal for National Cabinet in the second half of 2023 outlining reforms to strengthen renters' rights across the country.

Inquiry into the worsening rental crisis

On 22 June 2023, the Senate referred an inquiry into the worsening rental crisis in Australia to the Community Affairs References Committee, with an interim report to be presented by 23 September 2023, and a final report to be presented by 28 November 2023.

Social Housing Accelerator

The Australian Government has delivered a \$2 billion Social Housing Accelerator to deliver thousands of new social homes across Australia.

This investment will build more housing, for more Australians, in more parts of our nation. All funding will be committed by states and territories within two years ending 30 June 2025.

States and territories will have some flexibility in how they permanently boost social housing stock under the Social Housing Accelerator, including new builds, expanding programs, and renovating or refurbishing existing but uninhabitable stock.

States and territories will ensure this additional investment in housing will work alongside better planning, zoning and land release.

1.4 Have your say

Factors to consider

The Australian Government has developed this Issues Paper to seek your feedback on what the Plan should address. This paper is not exhaustive, as all the issues that impact housing and homelessness are too broad to cover in detail in one Issues Paper. Rather, this paper provides a brief overview of key issues in different parts of the housing and homelessness systems and poses discussion questions to give you an opportunity to tell us whether these issues align with your experience.

This paper considers factors affecting the entire housing and homelessness support system, such as housing supply and demand. It does not comprehensively cover specific cohorts because many priority cohorts are broad with a large degree of intersectionality. Further, people's housing needs are often complex and changing.

However, there is strong evidence many disadvantaged and vulnerable people experience individual and complex challenges accessing housing. In particular, women and children impacted by family and domestic violence, people exiting institutions, people who have recently transitioned from the Australian Defence Force to civilian life, people with disability, Aboriginal and Torres Strait Islander people, younger Australians including young people leaving out-of-home care, and older women.

The specific housing needs of some of these groups have been the focus of national strategies such as [Australia's Disability Strategy 2021–2031](#), the [National Plan to End Violence against Women and Children 2022–2032](#) and [Safe and Supported: the National Framework for Protecting Australia's Children 2021–31](#). In addition, the [National Agreement on Closing the Gap](#) and the recently endorsed [Closing the Gap Housing Sector Strengthening Plan](#) identify housing-specific actions for attention.

The development of the Plan will consider the housing priorities highlighted in these existing strategies and will also be informed by the development of new national strategies, including the [National Strategy to achieve Gender Equality](#) and [National Energy Performance Strategy](#). The Plan will also consider the needs of groups who have not been addressed in other strategies.

The Productivity Commission review found there is a need for a national approach which articulates the housing needs and priorities of Aboriginal and Torres Strait Islander people, provides principles to guide housing assistance for Aboriginal and Torres Strait Islander people, and sets targets to drive improvements in housing outcomes for, and led by, Aboriginal and Torres Strait Islander people and the Aboriginal community housing sector. As such, this Issues Paper is seeking views to guide the development of these matters and on how the Plan can embed the Priority Reforms of the National Agreement on Closing the Gap into housing and homelessness policy design and service delivery.

Housing and homelessness supports developed through the Plan should support Australians in need, regardless of their background, experience or characteristics.

Online consultation on the Plan



The consultation process is open until 22 September 2023. During this time, you are invited to share your ideas and experiences via the [DSS Engage platform](#).

Here, you will be able to:

- respond to [guided, short-form questions](#) and/or
- lodge a [written submission](#).

Responding to this Issues Paper

The Australian Government is seeking your feedback on the questions in this Issues Paper to inform the development of the Plan.

To provide your views, you can respond to the questions in this paper and/or lodge a written submission via the [DSS Engage platform](#) or you can complete the guided, short-form questions:

- You may wish to respond to all the questions or choose to answer only the questions of most interest to you.
- Individual responses may not be published or may only be published in part.

Lodging a written submission:

- If you lodge a written submission, please include headings with the relevant topics or questions you are addressing.
- If you are representing an organisation, we encourage you to provide case studies, data and evidence to support your views.
- The Government may choose to publish submissions. As such, when lodging a written submission, you will be asked to specify whether you would like your submission to be published on the department's website and you will need to specify if you would like your input to be anonymous.
- We will review submissions to make sure they comply with the DSS Publishing and Production Policy and DSS Privacy Policy requirements before they are published.

As there have been several recent inquiries and reviews into housing and homelessness in Australia with similar submission processes, you are welcome to resubmit a previous submission for the purposes of this consultation process if you prefer.

There will be more opportunities to share your views throughout the development of the Plan including workshops and roundtables with stakeholders in each state and territory in 2023.

More details about consultation on the Plan

You will be able to find further information on consultation locations, dates, and register for updates on the development of the Plan on the [DSS Engage platform](#).

If you have any questions about making a submission, please email:

HousingandHomelessnessPlan@dss.gov.au

2. The Housing System

2.1 The benefits of secure housing

Access to secure, appropriate and affordable housing has substantial benefits. Housing not only keeps us safe at an individual level, it also contributes to stronger and safer communities and leads to better economic outcomes.

Access to appropriate, affordable and secure housing provides physical and emotional safety and it promotes better health outcomes. According to a systematic review of evidence conducted by the World Health Organisation, improved housing can save lives, prevent disease and increase quality of life.³

The provision of affordable and secure housing can improve outcomes for people in transitional circumstances such as those leaving custody,⁴ or young people leaving out-of-home care.⁵ Affordable and secure housing is also critical to enabling people to re-establish their lives after leaving a violent situation.⁶

A recent survey of 87 of Australia's leading economists and housing experts revealed a consensus that addressing housing affordability and reducing homelessness has profound impacts on productivity in the broader economy. For example, reducing costs and improving tenure, quality and proximity to work could increase participation in the labour market and boost overall productivity.⁷

³ World Health Organisation (WHO), [WHO Housing and Health Guidelines](#), 2018; the Australian Institute of Health and Welfare (AIHW) has also demonstrated that in Australia, experiences of homelessness are correlated with increased rates of mortality, exposure to violence and health concerns. AIHW, [Health of people experiencing homelessness](#), 2021.

Australian Housing and Urban Research Institute (AHURI), [Housing support for ex-prisoners challenges and opportunities](#), 2021.

⁵ AHURI, [The staggering reality of life for young people after leaving out-of-home care](#), 2021.

⁶ Department of Social Services (DSS), [National Plan to end Violence against Women and Children 2022–2032](#), 2022.

⁷ Pawson H, Randolph B, Aminpour F and MacLennan D, [Housing and the Economy: Interrogating Australian Experts' Views](#), City Futures Research Centre, Sydney, 2021.

2.2 The housing and homelessness system: a snapshot

The housing system in Australia is made up of distinct, but interrelated forms of housing. Most Australians will transition through different types of housing in their lifetimes, though often not in a linear way. Some people may need support to stabilise a living situation, others are able to live independently with assistance. The majority of households are private renters and homeowners.⁸



Access to secure and affordable housing is fundamental for the welfare of Australians. The Australian housing and homelessness system needs to facilitate access to safe and secure housing while meeting the needs of a diverse and changing community.

Changes to the housing market have been particularly dramatic since the beginning of the COVID-19 pandemic, due to a range of social and economic impacts pushing up home values, rents and housing debt. Despite the temporary slowdown in population growth during the pandemic, demand for housing was strong, particularly in regional areas, and a fall in the national average household size contributed to this demand.

Rising housing costs remain a cost of living pressure for many people.⁹ After a period of negative rental growth from March 2020, rents have bounced back and risen.

On Census night in 2021, 122,494 people were estimated as homeless compared with 116,427 in 2016. However, the rate of homelessness decreased from 50 per 10,000 people to 48 per 10,000 people over the same period.¹⁰

Use of data in the Issues Paper

This paper uses the most relevant available data as at *July 2023*. We acknowledge that this paper uses different data sources across different time-periods. Trends may have shifted since the collection and publication of data used in this paper.

⁸ ABS, [Survey of Income and Housing](#), 2022

⁹ ABS, [Consumer Price Index, Australia](#), June Quarter 2023

¹⁰ The ABS Census: Estimating Homelessness provides estimates of the prevalence of homelessness in Australia. The Census is undertaken every 5 years, with the 2021 Census being the most recent. [Estimating Homelessness: Census methodology, 2021 | Australian Bureau of Statistics \(abs.gov.au\)](#); Australian Bureau of Statistics (ABS), [Census of Population and Housing: Estimating Homelessness](#), 2023.

Australia has a population of 26 MILLION PEOPLE


Projected to grow to nearly **30 MILLION** by 2030



we live in **10.9 million dwellings** with a combined value of **\$9.3 trillion**

Worth more than: Australian super Listed stocks Commercial property **COMBINED**

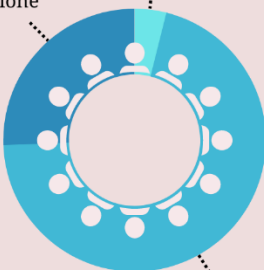
the average household has 2.5 people



3.1 people for First Nations households

25.6% live alone

3.9% live with non family




70.5% live with family

35.0% own with mortgage

31.0% own outright

3.4% other

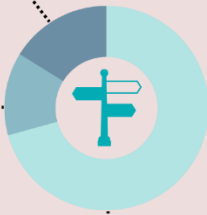
30.6% rent including social & affordable housing



16.2% Apartments

13.1% Townhouses

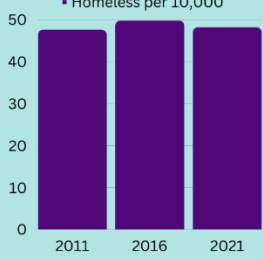
70.7% Houses



Over the last decade...

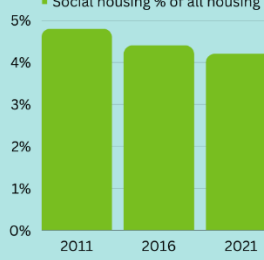
Rates of homelessness have been relatively stable

→



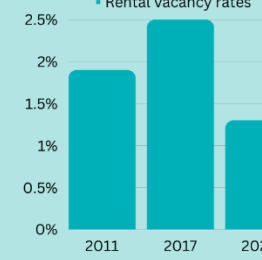
The proportion of households in social housing has declined

↘



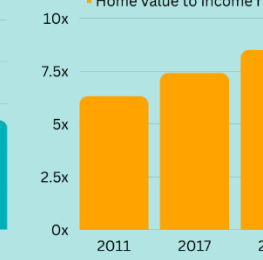
There are less rentals available


↘



House prices have increased faster than incomes

↗





After negative rental growth in early 2020, rents have since bounced back, increasing by 28.4% from September 2020 to May 2023



Sources: see final page of this Issues Paper.

2.3 What is the current approach of governments?

All levels of government provide support to improve housing outcomes and address homelessness. State and territory governments fund and retain responsibility for the day-to-day provision of housing and homelessness services within their jurisdictions. Assistance also comes in many forms and from a variety of government and non-government bodies.

Private industries and the not-for-profit and community sectors also have a significant influence on housing and homelessness. For example, lending institutions, the real estate industry and manufacturing and construction industries can all influence the affordability of housing (see 3.5 *Housing costs, home ownership and the private rental market in Australia*). The community sector provides a range of supports and services across the housing system (see 3.2 *Homelessness services* and 3.6 *The importance of planning, zoning and development*).

The following section discusses the roles governments can play.

Roles and responsibilities of governments for housing and homelessness

The housing and homelessness sector in Australia is complex and multifaceted. It requires a collaborative effort.

State and local governments are much closer to local housing markets, with more direct housing and homelessness levers. They are responsible for developing and implementing housing and planning policies including overseeing planning, land release and zoning, land taxes, tenancy legislation, and stamp duty.

States are also responsible for providing and maintaining social housing assets, providing emergency accommodation and other homelessness services. States are also required to address the needs of specific priority cohorts in their state homelessness plans. These include women and children affected by family violence, children and young people, Indigenous Australians, people experiencing repeat homelessness, people exiting institutions and care into homelessness, and older people.¹¹

Responsibility for planning and land use regulation is shared between local and state and territory governments. State and territory governments are responsible for overarching planning and development policies, strategic plans for metropolitan and regional areas, coordinating and investing in major infrastructure. Local governments are responsible for developing and implementing land use plans at the local level and processing the majority of development proposals.¹²

The Australian Government is responsible for coordinating national policies, which indirectly influence the affordability of housing, including tax settings, financial regulation, and income support policy. Australia's central bank, the Reserve Bank of Australia influences the cost of home mortgages through monetary policy.

¹¹ Productivity Commission (PC), [Housing and Homelessness Agreement Review](#), Canberra, 2022.

¹² Productivity Commission, [Plan to identify planning and zoning reforms, Information Paper](#), Canberra, 2021.

Governments can also provide direct support through interventions in response to market failure, economic conditions, disasters, and to assist specific vulnerable or disadvantaged groups.

Additionally, governments provide support and services related to social security, health, disability, employment, aged care, child and family support, mental health, drug and alcohol, and family and domestic violence – often required for people accessing housing and homelessness support.

National housing and homelessness strategies and funding agreements

Governments provide funding for housing and homelessness services through several mechanisms, including funding arrangements between the Commonwealth and the states and territories.

The National Housing and Homelessness Agreement (NHHA) is the major funding agreement between the Commonwealth and the States. Under the NHHA, states have authority and responsibility for determining the types and locations for state social housing and homelessness services.

The NHHA commenced on 1 July 2018. Under the NHHA, the Australian Government has provided around \$1.6 billion each year to the states to support them to deliver on their housing and homelessness services and programs. From 2018-19 to 2022-23 the Government has provided around \$8 billion to states through the NHHA. The states use funding from the NHHA as well as their own state budgets to deliver housing and homelessness services.

General funding under the NHHA is distributed between the states according to the share of the total population in each jurisdiction. Homelessness funding is distributed according to the share of the homeless population in each jurisdiction.

The Productivity Commission provided a detailed review of the NHHA and provided a series of recommendations that will be considered in the development of the Plan. You can read the review at [Study Report - Housing and Homelessness Agreement Review - Productivity Commission \(pc.gov.au\)](https://www.pc.gov.au/research/indicators/housing-and-homelessness-agreement-review)

The NHHA funding is only a proportion of the total housing assistance dollars. Around \$16 billion is spent annually on housing assistance by the Commonwealth, and state and territory governments.¹³

¹³ Productivity Commission (PC), [In need of repair: The National Housing and Homelessness Agreement – Study report](#), 2022.

The Australian Government also partners with states to deliver other strategies and agreements

In addition to funding agreements such as the NHHA, the Australian Government has partnered with states to:

- Reduce overcrowding in remote Northern Territory communities. *The National Partnership for Remote Housing Northern Territory (NPRHNT)* is a joint \$1.1 billion investment between the Australian Government and the Northern Territory Government from 2018–2023 to increase the supply and standard of public housing in remote communities and town camps. In February 2023, the Australian Government announced a \$111.7 million contribution to a new one-year partnership with the Northern Territory to begin after the NPRHNT finished on 30 June 2023, along with \$100 million for housing and essential infrastructure on Northern Territory homelands.
- Increase the accessibility and availability of affordable housing for people with disability. *Australia's Disability Strategy 2021–2031* is a national framework to which all governments in Australia have committed. The strategy includes an *Inclusive Homes and Communities Outcome Area* specific to housing for people with disability.
- Ensure women and children who escape family and domestic violence have access to safe and secure housing. *The National Plan to End Violence against Women and Children 2022–2032* is the overarching national policy framework which will guide actions towards ending violence against women and children over the next 10 years. It was released in October 2022 by the Australian, state and territory governments. It recognises that unaffordable or insecure housing is a major barrier to victim-survivors establishing safety after leaving a violence situation, and a key consideration in their decision to leave.

In June 2023, the Australian Government also announced an immediate \$2 billion Social Housing Accelerator payment to the states and territories in order to boost social housing stock.

3. Focus areas

Housing and homelessness policy interacts with and is impacted by several different and interrelated policy settings. To understand and respond to this complex system, we are seeking stakeholder feedback on the following issues, which span across the housing and homelessness spectrum:

- 3.1 Homelessness
- 3.2 Homelessness services
- 3.3 Aboriginal and Torres Strait Islander housing
- 3.4 Social housing
- 3.5 Housing costs, home ownership and the rental market in Australia
- 3.6 Planning, zoning and development
- 3.7 The Impact of Climate change and Disasters on Housing Security, Sustainability and Health

3.1 Homelessness

Census data shows the number of people who are homeless has increased over the past 2 decades. However, the rate of people experiencing homelessness per 10,000 people has remained relatively stable. On Census night in 2021, 122,494 people (48 per 10,000) were homeless. This compares with 95,314 people in 2001 (51 per 10,000), 89,733 people in 2006 (45 per 10,000), 102,439 people in 2011 (48 per 10,000) and 116,427 people in 2016 (50 per 10,000).

While there is no single definition of homelessness, for statistical purposes in Australia, someone experiencing homelessness is someone who:¹⁴

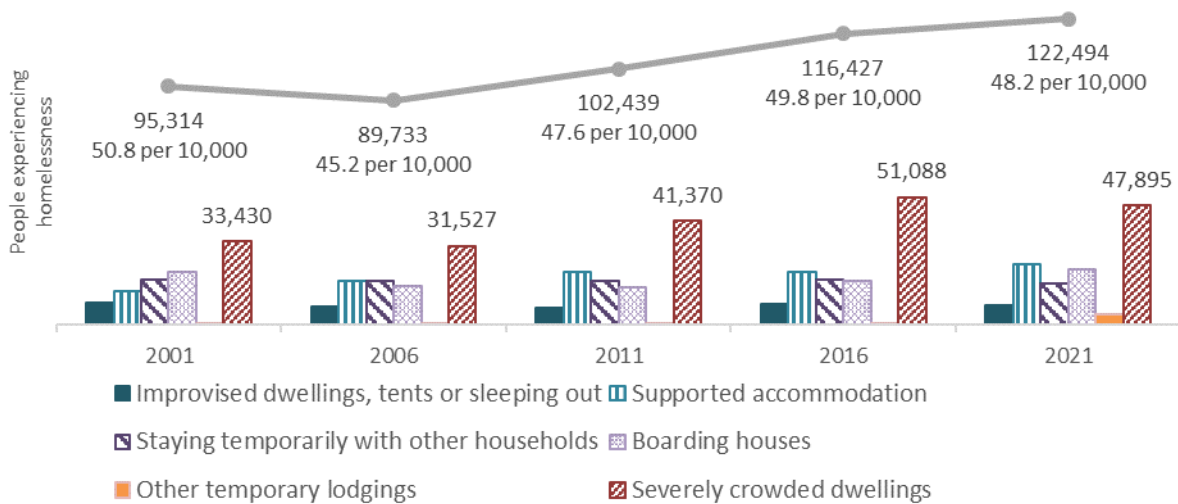
- is in an improvised dwelling, tent or sleeping rough; or
- has no security of tenure e.g. temporary lodgings, supported accommodation or couch surfing; or
- does not have control of, and space for social relations for example; severely crowded dwellings; and
- does not have access to suitable alternatives.

¹⁴ ABS, [Census of Population and Housing: Estimating Homelessness methodology](#), 2023

Compared to most countries, Australia’s definition of homelessness is relatively broad and it is not defined solely as ‘rooflessness’. Increasing estimates of homelessness between 2006 and 2016 were largely driven by increases in severe overcrowding. Despite a 6% decrease between 2016 and 2021, people living in severely overcrowded dwellings still form the largest proportion of people experiencing homelessness – 39% of all homelessness in 2021.

More visible forms of homelessness include people sleeping rough (7,636 in 2021), who make up 6% of all people experiencing homelessness. Other people experiencing homelessness include those who are staying temporarily with other households or ‘couch surfing’ (16,597 in 2021), people relying on temporary (3,934 in 2021) or supported accommodation (24,291 in 2021), and people living in boarding houses (22,137 in 2021).

People living in severely overcrowded dwellings made up 39% of all homelessness in 2021



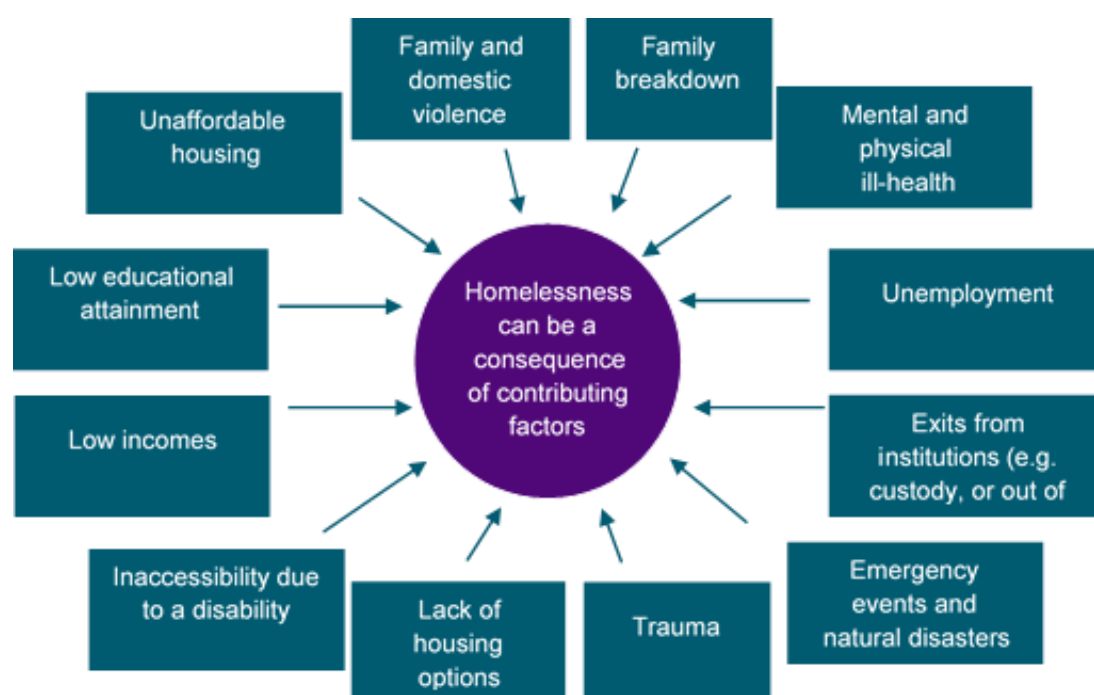
Source: ABS Census of Population and Housing, 2021.

Homelessness can have serious impacts on a person’s mental and physical health, their ability to participate in society, and their security and safety.

Due to the significant and acute challenges faced by people sleeping rough and the large number of people who experience severe overcrowding, this section will focus on these two groups. However, the development of the National Housing and Homelessness Plan will include consideration of all types of homelessness and the broad range of issues impacting homelessness in Australia. Submissions and views are invited on the full range of issues relating to homelessness or the risk of homelessness.

Contributing factors

Homelessness can affect anyone and can be caused by numerous factors:¹⁵



Multiple and intersecting structural and systemic factors influence why people become homeless and certain groups are disproportionately more likely to experience homelessness.

Gender, sexuality and age

- While men were more likely to experience homelessness in Australia (56% of the homeless population), women accounted for 82% of the increase of people experiencing homelessness between 2016 and 2021.¹⁶
 - Women's homelessness is often described as 'hidden' or 'invisible' because women are more likely to stay with family or friends on a couch, in a garage, or in their car.¹⁷ A lack of housing options could prevent women from leaving violent situations or lead to them returning to living with perpetrators.¹⁸ Based on the data available it is very difficult to assess and measure situations in which someone is displaced as a result of violence.¹⁹

¹⁵ Johnson G, Scutella R, Tseng Y, Wood G, *Entries and exits from homelessness: Entries and exits from homelessness: a dynamic analysis of the relationship between structural conditions and individual characteristics*, Australian Housing and Urban Research Institute Limited, Melbourne, 2015; Fitzpatrick S, Bramley G, Johnson S, *Pathways into Multiple Exclusion Homelessness in Seven UK Cities*, *Urban Studies*, 50(1), 148–168, SAGE Publications Ltd, 2012.

¹⁶ ABS, *Census of Population and Housing: Estimating Homelessness*, 2023.

¹⁷ AHRC, *Older Women's Risk of Homelessness: Background Paper*, 2019.

¹⁸ DSS, *National Plan to End Violence against Women and Children 2022–2032*, 2022.

¹⁹ ABS, *Census of Population and Housing: Estimating Homelessness*, 2021.

- Men accounted for 62% of older people experiencing homelessness in Australia in 2021.
 - The number of older males (55 and over) experiencing homelessness increased from 11,760 in 2016 to 12,062 in 2021 (an increase of 3%), however, the rate of homelessness decreased from 39 per 10,000 in 2016 to 34 per 10,000 in 2021.
- Older women (55 and over) were the fastest growing homelessness cohort between 2011 and 2016, however, this growth slowed between 2016 and 2021.
 - The number of older women experiencing homelessness increased from 6,872 in 2016 to 7,325 in 2021 (an increase of 7%), however, the rate of homelessness decreased from 20 per 10,000 in 2016 to 19 per 10,000 in 2021.
- Young people (12 to 24 years) are overrepresented in Australian homelessness estimates (71 per 10,000 in 2021) and are more likely to experience severe overcrowding and be living in supported accommodation. In 2021, 37% of all homeless people were aged 24 or younger.
 - Specific cohorts of young people are disproportionately more vulnerable. For example, 30% of young people leaving formal out-of-home care experience homelessness within their first year of exiting care.²⁰ A 2021 study by La Trobe University found 23.6% of young LGBTQIA+ people aged 14 to 21 had experienced homelessness in their lifetime.²¹
 - People under the age of 12 were the fastest growing homelessness cohort in 2021. The number of homeless children under 12 increased from 15,872 in 2016 to 17,646 in 2021 (an increase of 11.2%), and the rate of homelessness increased from 45 per 10,000 in 2016 to 48 per 10,000 in 2021.²²

Cultural background

- Aboriginal and Torres Strait Islander peoples are around 9 times more likely to experience homelessness (307 per 10,000), compared with non-Indigenous people. Most Aboriginal and Torres Strait Islander peoples experiencing homelessness are living in severely crowded dwellings.²³
- People born overseas are also overrepresented in Australian homelessness estimates, representing around 46% of all homelessness in 2021. The majority were living in severely overcrowded dwellings and boarding houses.²⁴

²⁰ PC, *In need of repair: The National Housing and Homelessness Agreement – Study report*, 2022.

²¹ Hill, A O, et. al. (2021). *Writing themselves in 4: The health and wellbeing of LGBTQIA+ young people in Australia*. National report, monograph series number 124. Australian Research Centre in Sex, Health and Society, La Trobe University, 2021.

²² ABS, *Census of Population and Housing: Estimating Homelessness*, 2023

²³ ABS, *Census of Population and Housing: Estimating Homelessness*, 2023.

²⁴ ABS, *Census of Population and Housing: Estimating Homelessness*, 2023

Other factors

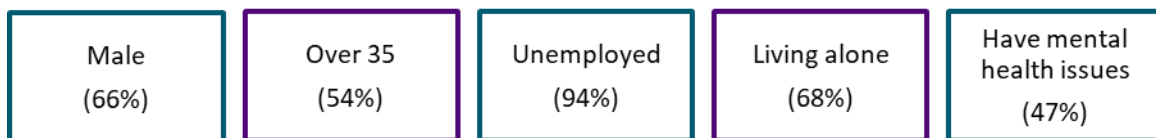
Structural factors may also influence the likelihood of someone becoming homeless. For example, people exiting institutions are more likely to access homelessness services, with ex-prisoners the fastest growing client category for homelessness services over the past decade.²⁵ There are other groups within the homelessness population of Australia who may be experiencing homelessness at higher rates or experiencing barriers in accessing support (such as people with disability and veterans).²⁶ However, further data and research is needed to better understand homelessness for these groups and their service needs.

People sleeping rough

People often equate being homeless with sleeping rough because this is the most visible form of homelessness. People sleeping rough include people who are living on the streets, sleeping in parks, squatting, staying in cars or living in improvised dwellings. They are some of the most disadvantaged and vulnerable people in society.²⁷

The 2021 Census estimated around 7,636 people were sleeping rough.²⁸ Of these, around 5,066 (66%) were male and around 2,566 (34%) were female. Around 6,831 were over 24 years of age and around 808 were under 24 years of age. The highest numbers of people sleeping rough were in the 35–44 and 45–54 age groups (1,755 and 1,775 respectively).

A 2018 analysis of rough sleepers who sought assistance from specialist homelessness services found they were more likely to be:²⁹



- The most common reasons for people sleeping rough to seek assistance from a homelessness service were related to accommodation or financial difficulties.
- Younger clients were more likely to seek these services than clients aged 50 and over were.
- Women sleeping rough were much more likely to seek assistance for family, domestic and sexual violence (around 5 times as likely as male rough sleepers).
- Around 1 in 5 people sleeping rough were Aboriginal and Torres Strait Islander peoples.³⁰

²⁵ Martin C, Reeve R, McCausland R, Burton P, White R, Thomas S, [Exiting prison with complex support needs: the role of housing assistance](#), AHURI, 2021

²⁶ Hilferty F, Katz I, Zmudzki F, Hooff M, Lawrence-Wood E, Searle A, Evans G, Challinor B, and Talbot A [Homelessness amongst Australian veterans](#), AHURI, 2019.

²⁷ Phillips R and Parsell C, [The role of assertive outreach in ending 'rough sleeping'](#), AHURI, 2012.

²⁸ ABS, [Census of Population and Housing: Estimating Homelessness](#), 2023.

²⁹ AIHW, [Sleeping rough: a profile of Specialist Homelessness Services clients](#), 2018.

³⁰ AIHW, [Sleeping rough: a profile of Specialist Homelessness Services clients](#), 2018.

- Most people sleeping rough were receiving services in major cities (populations of 100,000 people or more).
- Many people sleeping rough will experience multiple episodes of homelessness.³¹

Overcrowding

Overcrowding occurs when a household does not have enough space to accommodate all its members adequately.³² Overcrowding and poor quality housing are associated with poor health, education and employment outcomes, and increased family violence.³³

Australia uses the Canadian National Occupancy Standard (CNOS) to determine if someone is living in an overcrowded dwelling. The CNOS bedroom requirements uses the following criteria:

- there should be no more than 2 people per bedroom
- children 5 years of age or older of the opposite sex should have separate bedrooms
- single household members 18 years or older should have a separate bedroom, as should parents or couples.

Using this measure, households that require at least one additional bedroom are considered to experience some degree of overcrowding, while households requiring 4 bedrooms or more are considered severely overcrowded and counted as homeless for Australian estimates.

It is noted that the CNOS is based on Western cultural norms and may not be as applicable to some key groups, such as migrants, overseas students and Indigenous people.³⁴

Australia is one of the only countries in the Organisation for Economic Co-operation and Development to include severe levels of overcrowding as a form of homelessness.³⁵

Between 2006 and 2016, severe overcrowding grew significantly and was the largest contributor of overall homelessness growth over this time, however severe overcrowding declined by 6% between 2016 and 2021. While severe overcrowding is more prevalent in remote Australia, especially in the Northern Territory, the largest increases in severe overcrowding have been in New South Wales and Victoria.³⁶

³¹ AIHW, *Sleeping rough: a profile of Specialist Homelessness Service clients*, Canberra, 2018.

³² Brackertz, N, Davison, J, Borrowman, L and Roggenbuck, C *'Overcrowding and severe overcrowding: an analysis of literature, data, policies and programs'*, AHURI, 2019.

³³ Brackertz, N, Wilkinson, A *Research synthesis of social and economic outcomes of good housing for Aboriginal and Torres Strait Islander People*, AHURI, 2017.

³⁴ Dockery M, Moskos M, Isherwood L, and Harris M, *How many in a crowd? Assessing overcrowding measures in Australian housing*, AHURI, 2022

³⁵ Organisation for Economic Co-operation and Development (OECD) *Affordable Housing Database*, HC3.1. Homeless Population, 2020.

³⁶ ABS, *Census of Population and Housing: Estimating Homelessness*, 2023.

Questions for consideration

1. What are the different challenges for people experiencing homelessness in urban, regional, and rural areas?
2. What short, medium, and long-term actions can governments take to help prevent homelessness or to support people who may be at risk of becoming homeless?
3. How can the homelessness system more effectively respond to those at risk of, or already experiencing homelessness?
 - a. How can the homelessness system ensure those at risk of homelessness or in crisis receive appropriate support to avoid homelessness or so they are less likely to fall back into homelessness?
 - b. What actions can governments take to facilitate early intervention and preventative responses?
4. How can governments capture better evidence on 'hidden' or 'invisible' homelessness (e.g. couch surfing, living in a car and overcrowding)?
5. Is the Canadian National Occupancy Standard measure of overcrowding, and the way it is applied in Australia to define homelessness, suitable for the Australian context?

3.2 Homelessness services

Homelessness services

Governments across Australia fund a range of vital services to provide support to people who are experiencing homelessness or are at risk of homelessness. State and territory governments are responsible for the day-to-day delivery of homelessness services and directly fund specialist homelessness services.³⁷ The Australian Government supports the delivery of homelessness services through dedicated homelessness funding under the National Housing and Homelessness Agreement (NHHA). States are required to match this funding.

There are also some homelessness services provided by philanthropic and not-for-profit organisations.

Specialist homelessness services provide early intervention responses to prevent people becoming homeless, crisis responses, emergency accommodation and transitional housing, and a range of other services such as meals, access to storage lockers, shower or laundry facilities, family and domestic violence services, and financial advice and counselling.

Specialist homelessness services supported, on average, an estimated 71,000 people each day in 2021–22. However, there were also people who approached agencies who were unable to be offered any assistance (unassisted requests for service) or who did not receive all the services required (client's unmet need for services), with notable gaps in providing short-term or emergency accommodation.³⁸ In addition, some people, particularly those with complex support requirements, as well as non-residents and unaccompanied young people, face barriers caused by fragmented or difficult to navigate services.

Mainstream services have regular contact with large sections of the community, including those experiencing or at risk of homelessness. This includes, but is not limited to, health services, employment services, Centrelink, education and training services, and family and children services. It is important mainstream services are able to identify people who are experiencing or at risk of homelessness and take the necessary steps to ensure they receive the support they need.

For both specialist homelessness services and mainstream services, attracting and retaining a suitable workforce is critical to ensuring people who are experiencing or at risk of homelessness receive the services they need.

³⁷ Productivity Commission, [Report on Government Services](#), 2021 accessed 28 July 2023.

³⁸ AIHW, [Specialist homelessness services annual report 2021–22](#), 2022.



Case study – Tasmania Housing Connect

Housing Connect is a single entry point to access all housing and homelessness services in Tasmania. Housing Connect consists of 3 diverse types of services: Front Door; Housing Support; and Crisis and Transitional Accommodation.

Front Door provides immediate assistance, assessment and referral for people who need help with housing or who are homeless. Front Door staff connect eligible Tasmanians to appropriate housing assistance and services including:

1. affordable private rentals
2. social housing
3. supported accommodation
4. crisis and transitional accommodation.

Housing Support services assist Tasmanians who need more intensive help to access or maintain housing. Sometimes this might involve connecting people with other specialist services, such as family and domestic violence services.

Crisis and Transitional Accommodation services provide short-term or emergency accommodation to Tasmanians who are in housing crisis (homeless or at high risk of homelessness). The focus of this support is to address immediate needs while working with Housing Support services to help people find safe, longer-term accommodation that suits the person's needs.



Case study – Common Ground

Common Ground is a supportive housing model with growing prevalence in jurisdictions across Australia. The model is based on housing first principles, including that people have a right to access a home without a requirement to participate in services or treatment as part of their tenancy. The model provides people with permanent accommodation and the support to help them achieve stability in their lives. Residents pay rent but it is capped at a fixed percentage of income or at below market rate. Developments typically have on-site support services linked to other existing community services, security patrols, and programs and activities to encourage learning as well as cooperation and engagement with the local community. While Common Ground developments can be expensive, research has found them to be cost effective in the long run.

Preventing homelessness before it occurs

Crisis service interventions are designed to reduce potential or permanent adverse impacts of a person experiencing crisis. While critical to supporting people experiencing homelessness, crisis service interventions are short-term and costly.

For someone at risk of homelessness, early intervention, as opposed to crisis intervention, can prevent their situation from getting worse and improve long-term outcomes. Early intervention responses could include providing appropriate services to meet a person's needs before they reach crisis point, or tenancy support services to help maintain tenancies and avoid evictions. Early access to support services may prevent people from falling into crisis.

While a greater focus on prevention and early intervention could improve outcomes across all groups, the longer-term positive impacts are likely to be more significant for children and young people (aged 24 or less).³⁹

For children and young people, early intervention improves their level of engagement with family, education, training, employment and community. Children and young people experiencing homelessness are also at increased risk of being homeless later in life.⁴⁰ The service needs of young people experiencing homelessness are different to adults experiencing homelessness, reflecting the developmental needs of adolescents and young people, and a particular focus on engagement with education and training.⁴¹

In 2021 in Australia, young people aged 19 to 24 experienced homelessness at a higher rate (91 per 10,000) compared to all other age groups measured in the Census.⁴² An early intervention approach could reduce the likelihood of this cohort experiencing homelessness later in life.

³⁹ Flatau P, Conroy E, Spooner C, Eardley T, and Forbes C, [Lifetime and intergenerational experiences of homelessness in Australia](#), AHURI Final Report No. 200, 2013, in AIHW, [Australia's children](#), 2022.

Note: different data sets, policies and programs use different age ranges to classify 'young people'.

⁴⁰ Flatau P, Conroy E, Spooner C, Eardley T, and Forbes C, [Lifetime and intergenerational experiences of homelessness in Australia](#), AHURI Final Report No. 200, 2013, in AIHW, [Australia's children](#), 2022.

⁴¹ MacKenzie D, Hand T, Zufferey C, McNelis S, Spinne, A and Tedmanson D, [Redesign of a homelessness service system for young people](#), AHURI Final Report No. 327, 2020.

⁴² ABS, [Census of Population and Housing: Estimating Homelessness](#), 2023.



The Reconnect Program

The Australian Government's Reconnect Program is a community-based early intervention and prevention program for young people aged 12 to 18 years (or 12 to 21 years in the case of newly arrived youth) who are homeless or at risk of homelessness, and their families.

The aim is to prevent homelessness by intervening early with families and young people to stabilise and improve their housing situation and improve their level of engagement with family, education, training, employment and community.

Reconnect helps over 7,500 young people each year to improve their relationships with their family, stay at school and to participate in their local community.

Reconnect services provide counselling, group work, mediation and practical support to the whole family, to help break the cycle of homelessness. Reconnect works collaboratively with schools and a range of services to make sure all clients presenting or referred to Reconnect either receive assistance or are directed to more appropriate services, such as specialised mental health services.



Case study – Australian Capital Territory Client Support Fund

The Client Support Fund (CSF) was initially established by the Australian Capital Territory (ACT) Government to assist the Specialist Homelessness Sector in the ACT with the challenges posed by COVID-19.

The CSF provides additional resourcing through a new fee-for-service model and the provision of Housing ACT properties to increase the sector's capacity to respond to service demands from individuals and families experiencing or at risk of homelessness.

A key benefit of the CSF model is it has enabled the ACT's central intake service to work with homelessness services to develop tailored and flexible support and/or accommodation packages to meet the individual needs and circumstances of clients experiencing or at risk of homelessness. The model has supported clients who may otherwise have faced barriers to accessing the homelessness services system.

Breaking the cycle of homelessness

Constant or episodic homelessness over a long period is referred to as chronic homelessness. In 2018–19 the number of homelessness services clients who were homeless for more than 7 months over a 24-month period was 29,482, which increased to 35,215 in 2021–22.⁴³ Research has shown people experiencing chronic homelessness are among the heaviest service users, even though they make up a small proportion of the total number of people experiencing homelessness.⁴⁴

Someone experiencing chronic homelessness typically has complex support needs such as physical and/or mental health conditions and substance misuse, and may face barriers to accessing a full range of support and sustaining secure housing.⁴⁵ Breaking the cycle of chronic homelessness involves addressing someone's complex and individual needs and facilitating their pathway out of homelessness. To achieve this, a combination of support services is required and may include long-term or even permanent support to prevent future homelessness.

A lack of trust in services, accessibility and/or experiences of cultural or other safety issues can result in delayed service presentations. For those who do not present to services, targeted and assertive outreach programs may be required to facilitate access to support and transition out of chronic homelessness.



Case Study – New South Wales Mental Health In-Reach Service

The Mental Health In-Reach Service is a 2-year, \$1.1 million investment to support people rough sleeping or at risk of rough sleeping, who are in-patients in mental health units in Sydney, South Eastern Sydney and the Central Coast Local Health Districts (LHDs). The service commenced in July 2022, providing specialist case coordination to support people into long-term accommodation with wrap-around support to stay housed.

Based on assertive outreach models (an evidence-based practice to combat street homelessness) and housing first principles, the program provides assertive 'in-reach' to people while they are in mental health units. The model is a partnership between non-government organisations delivering caseworker supports for up to 12 months, LHDs delivering clinical supports and the New South Wales Department of Communities and Justice providing housing support. The program seeks to break cycles of homelessness and prevent discharges from mental health facilities into rough sleeping.

⁴³ AIHW, [Specialist homelessness services annual report 2021–22](#), 2022.

⁴⁴ Taylor S, and Johnson G, [Service use patterns at a high-volume homelessness service: A longitudinal analysis of six years of administrative data](#), Unison Housing, 2019.

⁴⁵ Reynolds F, *To examine programs that assist vulnerable and complex chronically homeless people*, Churchill Fellowship report, The Winston Churchill Memorial Trust of Australia, 2008 in Zaretsky K and Flatau P, [The cost of homelessness and the net benefit of homelessness programs: a national study](#), AHURI Final Report No. 218, 2013.



Case study – Gold Coast Homelessness Action Plan

The City of Gold Coast Council recognises that although homelessness policy is led by state governments, there is also a role to play at the local level. The Gold Coast Homelessness Action Plan 2024 outlines the City's roles, responsibilities, and strategic responses to homelessness. The plan has been developed through extensive consultation with the Gold Coast Homelessness Network, local community organisations and the Queensland Government.

Working with key partners, the City's goal is to ensure that any experience of homelessness on the Gold Coast is rare, brief and non-recurring. The Action Plan identifies 4 strategic priorities: safe public spaces; strong support networks; reducing homelessness; and diverse housing. It contains 30 actions within the City's remit as a local government to respond to homelessness and to support and build the capacity of local homelessness and welfare organisations.



Case study – South Australia Aspire Social Impact Bond

The Aspire Social Impact Bond (Aspire SIB) is Australia's first homelessness-focused Social Impact Bond. It offers investors the opportunity to generate a competitive financial return while making a lasting difference to the lives of people experiencing homelessness in Adelaide.

Investor returns are determined by South Australian Government payments to the Aspire SIB Trust, based on savings generated by the program. The more effective Aspire SIB is and the greater the cost savings it delivers to government, the greater the return on investment.

The bond funds the Aspire Program, which is delivered by Hutt St Centre, an Adelaide-based homelessness services specialist, in partnership with community housing providers including Common Ground Adelaide and Unity Housing.

Under the Aspire service model, participants are provided stable accommodation, job readiness training, pathways to employment and life skills development. Importantly, they also have the long-term support of a dedicated 'Navigator' to help them connect with wider support services and identify and achieve their aspirations.

Service system responses to homelessness

Research has identified service system responses to homelessness to improve outcomes for people at risk or experiencing homelessness.⁴⁶ Some of the proposed changes include strengthening service coordination and integration, a focus on intervening early, and housing first principles.

A responsive and coordinated service system



The best outcomes for people who are homeless or at risk of homelessness are achieved if specialist and mainstream services work together closely. Improving information sharing and referral pathways can prevent people falling into homelessness, or provide a more holistic service response to those who have become homeless.

A better coordinated service system will be less complex and easier to access and navigate for service users. It will also help ensure the service response meets the needs of our diverse community and reflects the diverse experiences of homelessness.

Intervening early is key

Intervening early for someone experiencing or at risk of homelessness can prevent their situation from getting worse and improve long-term outcomes. This is particularly so for young people, as those who experience youth homelessness are more at risk of experiencing disadvantage and homelessness over their lifetime. Intervening early and stabilising a young person's housing situation improves their level of engagement with family, education, training, employment and community.



Housing first principles



The housing first approach to homelessness is a response to homelessness which prioritises safe and secure housing for people experiencing homelessness. Once housing is secured, an individual's other health and wellbeing needs can be addressed (although there are no requirements for an individual to engage in support services in order for them to maintain accommodation).

⁴⁶ Spinney A, Beer A, MacKenzie D, McNelis S, Meltzer A, Muir K, Peters A, and Valentine K, [Ending homelessness in Australia: A redesigned homelessness service system](#), AHURI, 2020

Questions for consideration

1. What are the main challenges in addressing chronic and repeat homelessness?
2. What housing or dwelling models may need to be considered to provide appropriate options for people experiencing chronic and repeat homelessness?
3. What are the medium and longer-term steps that can be taken to ensure we have a more consistent and coordinated service system to support people who are experiencing or at risk of homelessness?
4. What are the best specific early intervention approaches to prevent someone becoming homeless?
5. In what areas of the homelessness service response are people who are experiencing or at risk of homelessness not getting the support they need?
6. How can the availability of accessible (particularly in relation to the physical environment) crisis and/or transitional accommodation be increased in the short to medium-term?
7. What strategies can be used to build awareness of available services and supports for people who are at risk of homelessness or experiencing homelessness?

3.3 Aboriginal and Torres Strait Islander Housing

Australian governments are working with Aboriginal and Torres Strait Islander people, their communities, organisations and businesses to implement the new National Agreement on Closing the Gap at the national, state and territory, and local levels. The National Agreement on Closing the Gap includes specific actions aimed at improving housing in Aboriginal and Torres Strait Islander communities.

More information on how Indigenous Australians and governments are working in partnership is included on page 40.

Aboriginal and Torres Strait Islander peoples experience housing inequality at a disproportionate rate compared with non-Indigenous Australians.⁴⁷ The Productivity Commission review of the National Housing and Homelessness Agreement found that Aboriginal and Torres Strait Islander households, compared with other households, are:

- half as likely to own their own home (with or without a mortgage)
- 6 times more likely to live in social housing
- 3 times more likely to live in overcrowded dwellings.

Aboriginal and Torres Strait Islander people, compared with other Australians, were:

- 9 times more likely to be classified as homeless in 2021⁴⁸
- 13 times more likely to live in severely overcrowded dwellings in 2021⁴⁹
- 10 times more likely to access specialist homelessness services in 2021-22.⁵⁰

Overcrowding

Overcrowding remains a significant issue in many Indigenous communities, particularly in remote areas. Overcrowding can affect physical, mental, social and emotional wellbeing. Overcrowding disproportionately impacts Indigenous Australians.⁵¹

The National Agreement on Closing the Gap includes a specific overcrowding target (Target 9a). Target 9a commits all levels of government to increasing the proportion of Aboriginal and Torres Strait Islander people living in appropriately sized (not overcrowded) housing to 88% by 2031.

Rates of overcrowding vary widely from state to state. In the Northern Territory, 56.6% of Aboriginal and Torres Strait Islander peoples live in overcrowded dwellings compared with around 10% in Victoria, Tasmania and the ACT. In contrast, 9.3% of non-Indigenous people

⁴⁷ Morgan, M. et al. *Indigenous lifeworlds, conditionality and housing outcomes*, AHURI, 2016.

⁴⁸ Census of Population and Housing, 2021, TableBuilder

⁴⁹ Census of Population and Housing, 2021, TableBuilder

⁵⁰ AIHW, *Specialist homelessness services annual report 2021–22*, 2022.

⁵¹ Australian Department of Health and Aged Care (DoHAC), *Aboriginal and Torres Strait Islander Health Plan 2021–2031*, 2021.

live in overcrowded dwellings in the Northern Territory and between 5% and 7% in Victoria, Tasmania and the ACT.

While available data shows a decline in overcrowding for Indigenous Australians, from 32.4% in 1996 to 18.6% in 2021,⁵² more work is required to close the gap between Indigenous and non-Indigenous Australians' access to safe and adequate housing. Significant further effort is needed to improve Indigenous Australians' housing and homelessness outcomes across the spectrum.

People living in appropriately sized (not overcrowded) dwellings⁵³

	2016 non-Indigenous	2016 Indigenous	2021 non-Indigenous	2021 Indigenous	% point change Indigenous 2016-2021
NSW	90.4%	85.9%	91.6%	87.5%	1.6
Vic	92.8%	87.6%	93.7%	88.8%	1.2
QLD	94.6%	79.4%	94.8%	81.2%	1.8
WA	95.5%	75.2%	96.2%	78.8%	3.6
SA	94.6%	82.5%	94.5%	82.8%	0.3
Tas	95.2%	89.9%	93.6%	88.8%	-1.1
ACT	95.1%	91.6%	94.1%	90.7%	-0.9
NT	90.2%	38.4%	90.7%	43.4%	5.0
Australia	92.9%	78.9%	93.5%	81.4%	2.5

Policy considerations and the unique housing experiences of Aboriginal and Torres Strait Islander peoples

Aboriginal and Torres Strait Islander peoples living in remote or very remote areas are more likely to live in social housing and less likely to own their own home than Aboriginal and Torres Strait Islander peoples living in non-remote areas.

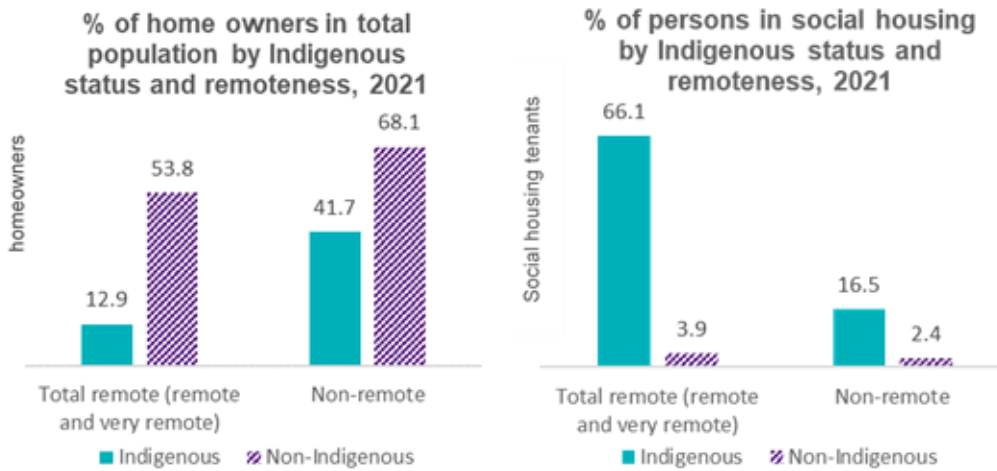
Compared with non-Indigenous Australians, Aboriginal and Torres Strait Islander peoples living in remote communities are more likely to be renting through social housing (66.1% vs 3.9%).⁵⁴ Aboriginal and Torres Strait Islander people have significantly lower home ownership rates, particularly in remote areas (12.9% vs 53.8%).⁵⁵

⁵² PC, [Socioeconomic outcome area 9](#), 2021

⁵³ PC, [Socioeconomic outcome area 9](#), 2021

⁵⁴ Census of Population and Housing, 2021, TableBuilder

⁵⁵ Census of Population and Housing, 2021, TableBuilder.



Mobility

On average, Aboriginal and Torres Strait Islander peoples are more likely to relocate regularly across their lifetime. This is due to a need to access health, housing, employment and education services as well as cultural, family and kinship obligations.

Temporary relocation can put pressure on available accommodation in remote communities, service towns and urban centres. Lack of appropriate short-term accommodation means Indigenous peoples can experience homelessness when temporarily moving.



Climate

Research has found that the impacts of climate change disproportionately impact disadvantaged populations including Indigenous populations. Climate is also a factor impacting on increased costs of construction and maintenance in remote communities and as such these challenges particularly impact Aboriginal and Torres Strait Islander peoples.

More information is at 3.7. *The impact of climate change and disasters on housing security, sustainability and health.*



Cultural values

For Aboriginal and Torres Strait Islander peoples, housing is much more than just shelter, it is a link to traditional lands and a connection to Country. Policies related to Aboriginal and Torres Strait Islander housing must take these considerations into account.



Source: refer to footnotes 56, 57, 58, 59, 60.

⁵⁶ PC, *In need of repair: The National Housing and Homelessness Agreement – Study report*, 2022.



Case study – Western Australia North West Aboriginal Housing Fund

The North West Aboriginal Housing Fund is a \$200 million initiative which commenced in 2016 to improve the lives of Aboriginal people living in the state's north.

A call for Expressions of Interest sought ideas from Aboriginal groups and organisations for projects that established pathways for Aboriginal economic independence through the development of a sustainable, transformed housing market in the Kimberley and Pilbara, providing supports for achieving better education and employment outcomes.

Nine projects were selected for funding including: projects providing transitional housing and supports in a rent-to-buy style program; the construction of houses for employees of an Aboriginal Medical Service; the construction of housing with capacity building supports for entry level workers in the construction sector; the construction of homes for use as employee housing; and a home ownership program in the Kimberley.

To date the Fund's 'live' investments have facilitated the development of 105 new affordable homes and supported 202 families. Six families have purchased a home of their own.

The success of the program can be measured in the achievements of the people who signed up to the opportunity for safe, stable and secure housing while they worked towards their goals, such as employment and promotions, financial security, graduating children and home ownership.

Australian Government funding for Aboriginal and Torres Strait Islander housing

The Australian Government has committed to several new initiatives to support Aboriginal and Torres Strait Islander housing. These include:

- \$200 million from the returns from the Housing Australia Future Fund for the repair, maintenance and improvements of housing in remote Indigenous communities
- \$100 million for housing and essential infrastructure on Northern Territory homelands
- \$111.7 million to a new one-year partnership with the Northern Territory Government to accelerate building of new remote housing, targeted at addressing the worst overcrowding
- \$9.2 million over 3 years from 2022–23 to establish the Housing Policy Partnership under Priority Reform One of the National Agreement on Closing the Gap.

⁵⁷ Northern Territory Government, [Homelessness in the Northern Territory: Northern Territory submission to the House of Representatives Standing Committee on Social Policy and Legal Affairs Inquiry into Homelessness in Australia](#), 2020.

⁵⁸ SEARMS Aboriginal Corporation, [Submission to the Productivity Commission's Housing and Homelessness Agreement Review](#), 2022

⁵⁹ Lea et al, '[Sustainable Indigenous housing in regional and remote Australia](#)', AHURI, 2021.

⁶⁰ Lowitja Institute, [Submission to the Productivity Commission's Housing and Homelessness Agreement Review](#), 2022.

This is in addition to Australian Government investment of:

- \$550 million from 2018–23, matched by the Northern Territory government, for the National Partnership for Remote Housing in the Northern Territory (NPRHNT) to help reduce overcrowding through increasing the supply and standard of public housing in remote communities and town camps
- \$150 million in the 2020–21 Budget over 3 years to Indigenous Business Australia (IBA) to deliver 360 new construction loans in regional Australia through the Indigenous Home Ownership Program.

The states' Aboriginal and Torres Strait Islander housing funding policies and programs can be found in state and territory [Closing the Gap Implementation Plans](#).



Case study – Northern Territory Batten Road Integrated Homelessness Supported Accommodation Service

The Batten Road Integrated Homelessness Supported Accommodation Service provides short-term visitor accommodation and access to longer-term accommodation and case management to support Aboriginal people experiencing homelessness.

The service can provide short and medium-term accommodation for up to 300 people including singles, couples and families with children. It is delivered through an alliance partnership between Mission Australia and Yilli Rreung Housing Aboriginal Corporation.

Mission Australia delivers case management and support, and coordinates a range of government and non-government organisations to deliver broad-reaching integrated on-site services for people experiencing homelessness. Yilli Rreung Housing Aboriginal Corporation deliver property and facility management of the accommodation facility.

Indigenous Australians and governments working in partnership

Under the National Agreement on Closing the Gap, the Australian Government is working in partnership with the Coalition of Peaks, the National Aboriginal and Torres Strait Islander Housing Association (NATSIHA), and all states and territories to support specific actions aimed at improving housing in Aboriginal and Torres Strait Islander communities.

In response to listening to Aboriginal and Torres Strait Islander Australians, these actions include establishing a Housing Policy Partnership under Priority Reform One (Clause 38).

The Housing Policy Partnership will provide a forum for Indigenous Australians to have a genuine say in the design and delivery of housing services. This aligns with a foundational principle of the National Agreement on Closing the Gap: when Aboriginal and Torres Strait Islander people have a genuine say in the design and delivery of services that affect them, better life outcomes are achieved (Clause 6).

It is envisaged the Housing Policy Partnership will have a role in the development of the Plan to ensure the voices and perspectives of Aboriginal and Torres Strait Islander people are incorporated in stakeholder consultation. The Housing Policy Partnership will identify strategic priorities for government consideration through shared decision-making, ensuring the Plan aligns and supports the Priority Reforms of the National Agreement on Closing the Gap.



Safe and Supported: the National Framework for Protecting Australia's Children 2021–2031

Safe and Supported: the National Framework for Protecting Australia's Children 2021–2031 sets out how all governments, Aboriginal and Torres Strait Islander leaders and the non-government sector will work together to help children, young people and families in need of support reach their full potential by growing up safe and supported, free from harm and neglect.

Action 8 of the *Safe and Supported: Aboriginal and Torres Strait Islander First Action Plan 2023–2026* acknowledges that there is a need to better connect Aboriginal and Torres Strait Islander child and family service systems with other social supports, including housing, education, employment, health, disability, social and emotional wellbeing, justice and family.



Case study – Victoria Enabling Aboriginal and Torres Strait Islander Self-Determination

Victoria is supporting Aboriginal and Torres Strait Islander self-determination through several initiatives.

The \$5.3 billion Big Housing Build will construct more than 12,000 new homes throughout metro and regional Victoria. A total of 10 per cent of net new social housing from the Big Housing Build will be targeted to meet the needs of Aboriginal and Torres Strait Islander Victorians. This amounts to a social housing pipeline of 820 dwellings across Victoria by 2025.

The Victorian Government has transitioned ownership and control of 1,448 Director of Housing owned properties to Aboriginal Housing Victoria, starting in 2017.

The Victorian Government has also provided \$35 million for upgrades and maintenance of properties for Victorian Aboriginal communities. Aboriginal Housing Victoria is the lead for this project alongside numerous Victorian Aboriginal organisations who will receive upgrades to their properties.

Aboriginal and Torres Strait Islander specific social housing

Indigenous community housing providers, including community controlled housing organisations, provide culturally appropriate community housing for Aboriginal and Torres Strait Islander peoples. Aboriginal and Torres Strait Islander Community Controlled Housing Organisations (ATSICCHOs) are Indigenous organisations that own or are accountable for community housing.

Indigenous Australians may also reside in state-owned and managed Indigenous housing (SOMIH). SOMIH dwellings are allocated only to Aboriginal and Torres Strait Islander tenants, and can be managed by government Aboriginal and Torres Strait Islander housing agencies.⁶¹

The approach to policy and funding programs for the Indigenous social housing sector has changed over time. In the 1980s, the Aboriginal Rental Housing Program, the Community Housing and Infrastructure program (CHIP) and the Aboriginal and Torres Strait Islander Council (ATSIC) were established, providing increased funding and more opportunity for Aboriginal and Torres Strait Islander people to directly administer housing programs.⁶²

However, by 2007 both ATSIC and CHIP had ended and funds were redirected away from Aboriginal and Torres Strait Islander organisations to mainstream state government or non-government organisations.⁶³ Since then, the number of ATSICCHOs has declined due to a range of factors including difficulties accessing mainstream competitive funding and the regulatory environment.⁶⁴ However, ATSICCHOs remain the preferred housing service for many Indigenous Australians due to the cultural appropriateness and holistic nature of the housing and support services they provide.⁶⁵

The lack of growth in the ATSICCHO sector requires some Indigenous Australians to access social housing from mainstream providers. It is also important to note Indigenous Australians may also choose to reside in social housing provided by mainstream organisations or government departments.

The Housing Sector Strengthening Plan

The community-controlled housing sector provides culturally appropriate housing and rent subsidies; however, the sector faces challenges in building its capacity.

The Housing Sector Strengthening Plan, under Priority Reform 2 of *the National Agreement on Closing the Gap*, was endorsed in August 2022 by the Joint Council on Closing the Gap. *The Housing Sector Strengthening Plan* is a resource to be used over 3 years to 2025 to prioritise, partner and negotiate beneficial sector-strengthening strategies, which can help address challenges the ATSICCHO sector is facing.

⁶¹ PC, [Report on Government Services](#), 2023.

⁶² PC, [In need of repair: The National Housing and Homelessness Agreement – Study report](#), 2022.

⁶³ Brackertz, N., Davison, J. and Wilkinson, A., [How can Aboriginal housing in NSW and the Aboriginal Housing Office provide the best opportunity for Aboriginal people?](#), AHURI for Aboriginal Housing Office, NSW, 2017.

⁶⁴ Brackertz, N., Davison, J. and Wilkinson, A., [How can Aboriginal housing in NSW and the Aboriginal Housing Office provide the best opportunity for Aboriginal people?](#), AHURI for Aboriginal Housing Office, NSW, 2017.

⁶⁵ *Housing Sector Strengthening Plan*, 2022.

Questions for consideration

1. What are the main cultural, social and economic factors that must be considered by governments and providers (including ATSI CCHOs) when considering how to improve housing outcomes for Aboriginal and Torres Strait Islander people? How can governments best work with communities and the Aboriginal community controlled housing sector to support better housing outcomes for Aboriginal and Torres Strait Islander people, including embedding the Priority Reforms of the National Agreement on Closing the Gap and promoting self-determination?
2. How can governments best work with communities and the Aboriginal community controlled housing sector to support better housing outcomes for Aboriginal and Torres Strait Islander people, including embedding the Priority Reforms of the National Agreement on Closing the Gap and promoting self-determination?
3. How can governments ensure diverse Aboriginal and Torres Strait Islander voices are included in the development of housing and homelessness policies and programs?
4. What are the ideal short, medium and long-term policies and programs government can pursue to improve the supply of housing for Aboriginal and Torres Strait Islander people, including increasing the capacity and capability of ATSI CCHOs?

3.4 Social housing

The importance of social housing

States are primarily responsible for providing and maintaining social housing assets. Section 2.3 *Current approaches of government* details the funding arrangements for social housing. Under the NHHA, states and territories have primary responsibility for the funding, ongoing management and regulation of social housing and for tenant outcomes within social housing. While the states and territories manage public housing, community housing organisations are not for profit organisations that provide safe, secure, affordable rental housing. Community housing models vary across jurisdictions, with a variety of groups, including state and territory governments, owning the underlying stock.⁶⁶

Social housing is secure and affordable housing for people with a housing need who are not able to access housing in the private market. The 3 main types of social housing are: public housing, which is delivered by state and territory government agencies; state-owned and managed Indigenous housing (SOMIH); community housing including Indigenous community housing, which is delivered by non-government organisations, often supported by state government contributions.

In 2020–21, around 790,000 Australians lived in over 440,000 social houses across the country. The majority of social housing is public housing (around 68%). The total stock of social housing has increased slightly over the last 15 years, however the number of dwellings per 1,000 people has decreased. Community housing has grown significantly and now makes up around 25% of all social housing, compared with 7.9% in 2006.⁶⁷

Social housing is important social infrastructure. It provides a stable base from which people can participate in society, form families, and enjoy retirement. Social housing also has impacts on productivity and participation, and well-located social housing with amenity assists tenants to build and maintain social and economic wellbeing.

Eligibility for social housing differs between states but is generally determined by a range of factors such as income and assets and the ability to access and sustain a tenancy in the private rental market. States also consider if applicants have specific requirements, such as accessibility needs or locational needs. Rents in social housing are set at a percentage of household income, usually between 25% and 30%.⁶⁸ Community housing tenants are eligible for and may receive Commonwealth Rent Assistance (CRA), which is usually included in their rent paid to community housing organisations.

Tenants of social housing are more likely to be female, Aboriginal and Torres Strait Islander peoples, from single-person households, have a disability, and be aged over 65 years.⁶⁹

⁶⁶ AIHW, [Housing assistance](#), Glossary, viewed 11 April 2023.

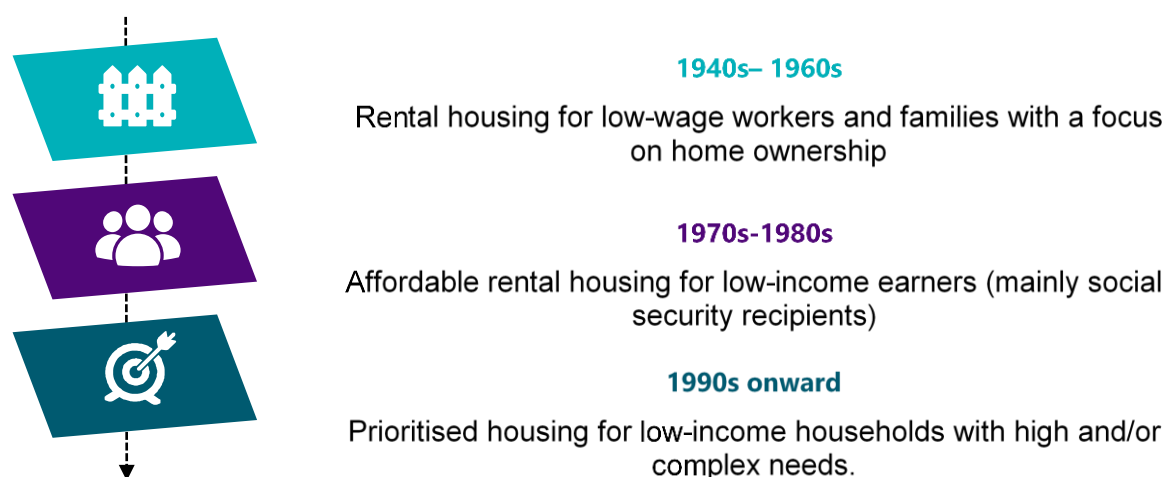
⁶⁷ AIHW, [Housing assistance in Australia](#), 2022.

⁶⁸ AHURI, [What is the difference between social housing and affordable housing – and why do they matter?](#), 2023.

⁶⁹ AIHW, [Housing assistance in Australia](#), 2019.

The Australian Government provides support for social housing through the NHHA, as well as further support for community housing through National Housing Finance and Investment Corporation (NHFIC). NHFIC provides support for social and affordable housing through the Australian Housing Bond Aggregator and the National Housing Infrastructure Fund.

The social housing sector has changed over the decades with 3 broad trends evident:⁷⁰



The demand and supply of social housing

While the amount of social housing increased by 4.6% between 2011 and 2021, this has not kept pace with population growth, which increased by 15.0% during the same period.⁷¹ The social housing stock of 440,000 dwellings across Australia in 2021 makes up 4.2% of all housing, a decrease from 4.8% of all housing in Australia since 2011.⁷²

Whilst social housing provides security for tenants, the availability of social housing stock is also impacted by the relatively longer length of tenure that social housing households have in their dwellings compared with the private market. In the 2019–20 ABS survey of Housing Mobility and Conditions, most social housing tenants had not moved in the past 5 years,⁷³ while the average private renter had moved twice in the same period.⁷⁴ Some states have policies, such as more frequent checks in income eligibility, to ensure social housing is available to those most in need.⁷⁵

⁷⁰ AIHW, Housing assistance in Australia, 2019; AHURI, *Understanding the 'residualisation' of social housing*, 2019.

⁷¹ ABS, *National, state and territory population, June 2021*, 2021, accessed 22 February 2023; ABS, *2011 Australia, Census All persons QuickStats | Australian Bureau of Statistics (abs.gov.au)*, 2011, accessed 22 February 2023.

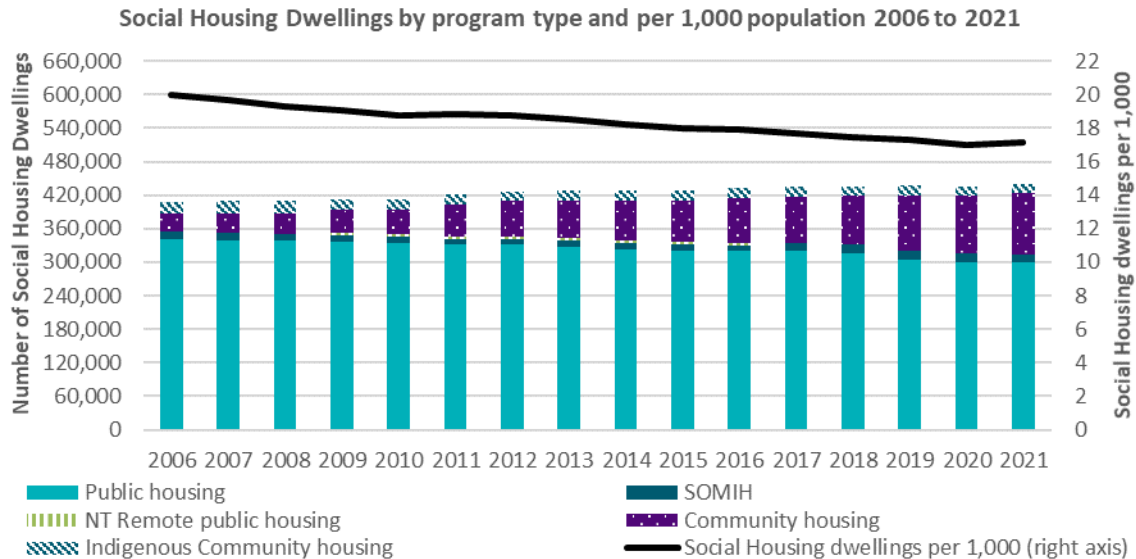
⁷² AIHW, *'Slow growth in social housing dwellings across Australia'*, 2022.

⁷³ ABS, Housing Mobility and Conditions, 2022, in *In need of repair: The National Housing and Homelessness Agreement – Study report*, Productivity Commission, 2022.

⁷⁴ ABS, Housing Mobility and Conditions, 2022, in *In need of repair: The National Housing and Homelessness Agreement – Study report*, Productivity Commission, 2022.

⁷⁵ PC, *In need of repair: The National Housing and Homelessness Agreement – Study report*, 2022.

The Productivity Commission’s review of the NHA noted that any increased market supply of housing, achieved through better designed planning regulations, would benefit households on low and moderate incomes through increased mainstream supply of housing and improved private rental market conditions.⁷⁶



Source: AIHW *Housing Assistance in Australia 2022 Social housing dwellings*, ABS 3101.0 *Estimated Resident population*.

There are a number of factors which influence demand and supply for social housing. Demand for social housing is driven by the availability of appropriate and affordable private rental housing, and a shortage of affordable and safe housing can create significant costs for governments. These significant costs may include for example additional capital expenditure for social housing and greater ongoing subsidies for social housing provision. There will always be a level of inherent demand for below market rate housing, and as a result, there will always be a demand for social housing.⁷⁷

There are difficulties in measuring the demand for social housing. Demand for social housing is usually measured by waiting lists or registers, with priority given to those in greatest need, for example, those who are homeless or experiencing domestic and family violence. Almost 40% of households on the waiting list in 2021 across Australia were assessed as being in 'greatest need'.⁷⁸

While waiting lists provide some measure of unmet demand for social housing by low-income households, there are shortcomings of using waitlists and registers as the sole indicator for unmet demand:

- social housing is not available in all areas and in the required dwelling type
- waiting lists refer to households, not individuals seeking social housing
- applicants are subject to income, asset and other eligibility criteria which vary over time and between states

⁷⁶ PC, *In need of repair: The National Housing and Homelessness Agreement – Study report*, 2022.

⁷⁷ PC, *In need of repair: The National Housing and Homelessness Agreement – Study report*, 2022.

⁷⁸ AIHW, *Housing assistance in Australia, About – Australian Institute of Health and Welfare*, 2022.

- households may not apply due to housing quality and waiting time concerns.⁷⁹

Several stakeholders have modelled housing need, including the number of social housing dwellings which may be required to meet this need. It is important to note the underlying assumptions and approaches to modelling these estimates vary:

- Research prepared for the Community Housing Industry Association estimates in 2021 there were around 437,000 households in the lowest income group and 203,500 households in the second lowest income group with unmet demand for housing with these households experiencing homelessness, experiencing overcrowding or spending more than 30% of their income on rent. Combined, this represents around 641,000 households whose affordable housing needs were not being met.⁸⁰
- Research prepared by the Australian Housing and Urban Research Institute estimates that 727,300 social housing dwellings will be required between 2016 and 2036. This is in addition to the 384,600 social housing dwellings available in 2016.⁸¹

Demand and target groups for social housing are not well-defined concepts, and increasing the stock of social and affordable housing is one of several options for governments to better meet the housing needs of Australians.

Features of social housing

Tenancy allocation for social dwellings is decided by the policy settings of individual states and community housing organisations. As the demand for social housing is currently much higher than available supply, states and providers allocate dwellings to households who can demonstrate both economic and social disadvantage, referred to as 'greatest needs' households. Community housing organisations usually have more flexibility in tenancy allocation compared to government providers.

Research suggests that current social housing prioritisation and allocation practices are focused on those with greatest needs. Current prioritisation and allocation approaches generally exclude households who are seeking housing support but whose needs are not as great as others. Some suggest that a more multi-dimensional model may be appropriate, responding to housing need from households with no need for greater social supports and to households requiring an affordable housing option, thus resulting in a more comprehensive and integrated housing support system.⁸²

⁷⁹ Pawson H, Lilley D, [Managing access to social housing in Australia: Unpacking policy frameworks and service provision outcomes](#), University of New South Wales (UNSW) City Futures Research Centre, 2022.

⁸⁰ Van den Nouwelant R et al. [Quantifying Australia's unmet housing need](#), Prepared for the Community Housing Industry Association (HIA), 2022.

⁸¹ Lawson J, et al., [Social housing as infrastructure: an investment pathway](#), AHURI Final Report No. 306, 2018.

⁸² Levin, I., Tually, S., De Vries, J., Kollmann, T., Stone, W. and Goodwin-Smith, I, [Innovations in stock matching and allocations: the social housing challenge](#), AHURI Final Report No. 394, 2023

Other limitations to social housing and housing assistance that have been identified include:

- Utilisation - Although new social housing eases pressure on demand, many existing social dwellings are underutilised. Between 2017 and 2021, the proportion of underutilised dwellings was 17% for public housing, 10–11% for community housing and 26–27% for SOMIH.⁸³ When households start to age and children leave home, there are often no smaller social dwellings available in the area for ‘down-sized’ households to move into.⁸⁴
 - At the same time, in 2021, around 4% of public housing dwellings and 4% of community dwellings were assessed as overcrowded, while 25% of SOMIH households were living in overcrowded dwellings.⁸⁵ The issues of underutilisation and overcrowding can be described as ‘mismatches’ between social housing stock and tenants’ household composition, need and preferred location.
- Quality - Poor quality housing negatively impacts tenants’ health, safety and ability to participate in society.⁸⁶ However, an increasing number of social housing tenants are living in dwellings that do not meet agreed minimum acceptable standards. According to the Productivity Commission, most social housing tenants lived in dwellings of an appropriate standard in 2021, but the proportions decreased 5 to 7 percentage points from 2014.⁸⁷ An appropriate standard of dwelling is defined as having working facilities for washing people, washing clothes/bedding, storing/preparing food and removing sewerage, and not more than 2 major structural problems.⁸⁸
- Financial support - Different levels of subsidy are available to households in social housing and those in the private rental market, notwithstanding similar socio-demographic status. The Productivity Commission has identified this issue and suggested a more direct financial assistance model for low-income households as an alternative to the current assistance model.⁸⁹

⁸³ AIHW, [Housing assistance in Australia, Suitability of dwelling size](#), accessed 23 March 2023.

⁸⁴ AIHW, [Housing assistance in Australia, Suitability of dwelling size](#), accessed 23 March 2023.

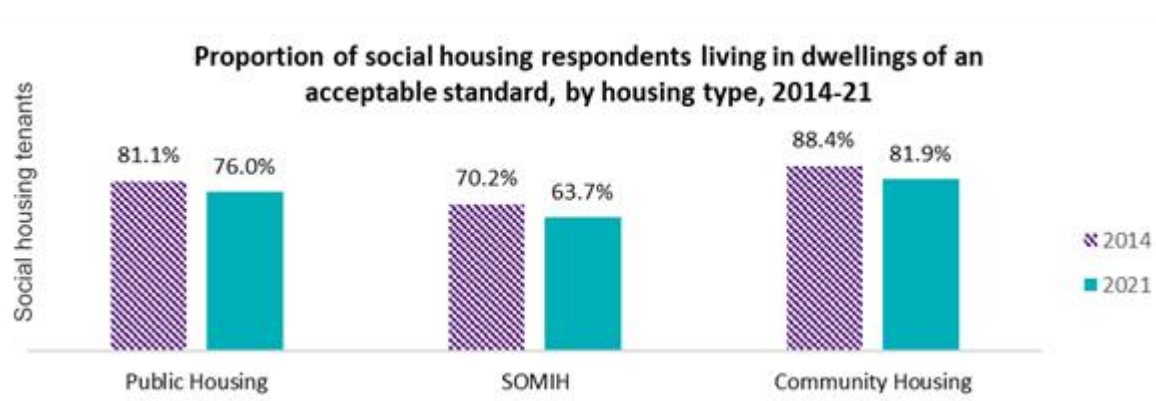
⁸⁵ AIHW, [Housing assistance in Australia, Suitability of dwelling size](#), accessed 23 March 2023.

⁸⁶ Liu, Marting and Easthope, [Poor-quality housing and low-income households: review of evidence and options for reform](#), UNSW City Futures Research Centre, 2019.

⁸⁷ PC, [Report on Government Services 2023 – section 18 Housing](#), Tables 18A.36, 18A.37, 18A.38, 8A.39, 2023, accessed 22 February 2023.

⁸⁸ AIHW, [Aboriginal and Torres Strait Islander Health Performance Framework 2014 report](#), Canberra, 2014.

⁸⁹ PC, [In need of repair: The National Housing and Homelessness Agreement – Study report](#), 2022.



Social housing providers not only struggle to reconfigure housing stock to meet current and future needs (including to meet accessibility standards) but also struggle to keep up with maintenance needs. In 2021, nearly 3 in 10 tenants said their home was not comfortable in the heat or cold.⁹⁰ Challenges with supply chains as a result of COVID-19 have contributed to higher costs and longer timeframes associated with construction, maintenance and repairs, particularly in regional and remote areas.⁹¹

Over time, the percentage of tenants satisfied with their social housing remained stable, from 74.4% in 2014 to 72.9% of tenants in 2021.⁹²

Around 5% to 10% of households have improved employment outcomes and income prospects while in social housing. There are significant barriers to exit pathways from social housing, reflecting factors such as labour market insecurity (for example, variable or fluctuating hours of employment), or the gaps in housing costs and tenure security for people in social housing compared with private rental sectors and a shortage of affordable private rental dwellings.⁹³

Exit pathways can also be impacted by an increase in the number of social housing tenants with complex needs who require increased levels of support over time.⁹⁴ Exit pathways are also impacted by the ageing social housing tenant profile, with those aged 65 years or older comprising around 31% of households in social housing as at June 2019, who typically have longer-term stable social housing tenancies compared to other cohorts⁹⁵.

There are also reports of negative perceptions of social housing that can impact securing community support for social housing projects⁹⁶

⁹⁰ AIHW, [National Social Housing Survey 2021](#), Table S3.1, 2022.

⁹¹ CoreLogic, [Cordell Construction Cost Index \(CCCI\)](#), 2022.

⁹² AIHW, National Social Housing Survey 2021, [What were the key factors in tenant satisfaction?](#), accessed 16 March 2023.

⁹³ E Baker, C Leishman, R Bentley, N Thien Anh Pahn, L Daniel, [Social housing exit points, outcomes and future pathways: an administrative data analysis](#) AHURI, 2020.

⁹⁴ AHURI, [The construction of social housing pathways across Australia](#), 2019.

⁹⁵ Muir, K., Powell, A., Flanagan, K., Stone, W., Tually, S., Faulkner, D., Hartley, C., and Pawson, H, [A pathway to where? Inquiry into understanding and reimagining social housing pathways](#), AHURI Final Report No. 332, 2020

⁹⁶ Sisson, A., Territorial stigma and territorial struggles in Sydney's Waterloo estate, University of Sydney, 2020.; Chatterjee and Sission 2020, [Why public housing is stigmatised and how we can fix it?](#), The Conversation, accessed on 27 April 2023.

Rent revenues received by social housing providers are low compared with the costs of building, maintaining and managing social housing. This results in a gap between revenue and expenses for social housing organisations, referred to as the ‘subsidy-gap’.

Social housing supply usually depends on multiple funding sources such as an up-front capital grants, private debt finance and private capital raised through National Housing Finance and Investment Corporation bond aggregator.⁹⁷ The subsidy required for social housing is usually higher than for other types of housing, making the delivery of social housing significantly more expensive for funders.

The Housing Australia Future Fund, the National Housing Accord and the Social Housing Accelerator will have a significant role in improving supply of social housing.

Funding for social housing should flow through to the most effective and efficient providers of housing support, where housing outcomes can be optimised, and be focused on housing assets that meet the current and future needs of social housing tenants.



Case study – Queensland housing with support

The Queensland Government owns and manages a 20-unit public housing complex, where 8 tenants receive on-site support from a Specialist Homelessness Provider. This includes a mobile ‘connection’ hub where people can connect with others socially, online, through employment, or through community activities.

As well as providing immediate assistance to ensure the wellbeing and safety of tenants (including tenants exiting hospital and those experiencing family, domestic and sexual violence), tenants are also provided with other referrals and supports, such as access to the NDIS. The mobile support has also helped tenants connect with their community, make friends with their neighbours, and become more active. The support at this complex ensures that tenants can live active and safe lives, build pride and esteem and feel valued.

⁹⁷ AHURI, [Understanding the funding gap for social housing and different ways to fund it](#), 2019.

The role of community housing

Community housing is social housing managed and delivered by not-for-profit organisations.

There are more than 500 community housing providers across Australia, with most managing less than 50 dwellings.⁹⁸ The community housing sector varies in size and structure in each state. Some states have provided significant support to develop their community housing sectors.

Community Housing Providers (CHPs) have the advantage of being able to bring together funding from government, the private sector and the philanthropic sector. Providers can leverage this funding to achieve additional scale for their social housing supply. They can develop broader and more diverse business models, which gives tenants a choice of social and affordable housing and can be more responsive to tenant needs. Providers often also provide or coordinate further housing and social service supports (wrap-around services) for tenants.

Against these advantages:

- community housing sector growth depends on long-term sustainable and reliable capital and operational subsidy streams
- community housing providers need to balance competing social and economic objectives through their deployment of surplus funds into social and affordable housing
- transfers of public housing to the community housing sector require appropriate regulatory oversight to protect outcomes for tenants and ensure appropriate asset and financial outcomes for government.

The community housing sector now represents around 25.4% of total social housing in Australia, up from 19.1% from 5 years ago, and up from 16.0% in 2013.⁹⁹ At June 2022, the community housing sector had 111,681 dwellings, compared with 67,385 dwellings as at June 2013 – a growth of 44,296 dwellings. Across the same period, public housing decreased by 30,740 dwellings from 328,340 to 297,600 dwellings.¹⁰⁰

Around half of the growth in community housing can be attributed to stock transfers, with 21,118 dwellings transferred from public housing to community housing between 2017 and 2021.¹⁰¹ Benefits of stock transfers to the community housing sector broadly include capacity and capability building, access to increased revenue streams via Commonwealth Rent Assistance and leveraging additional private investment (for services and/or additional housing assets).¹⁰²

⁹⁸ AIHW, [Housing assistance in Australia, Social housing dwellings](#), accessed 16 March 2023.

⁹⁹ PC, [Report on Government Services 2023 – section 18 Housing](#), Table 18A.3, 2023, accessed 22 February 2023.

¹⁰⁰ PC, [Report on Government Services 2023 – section 18 Housing](#), Table 18A.3, 2023, accessed 22 February 2023.

¹⁰¹ PC, [Report on Government Services 2023 – section 18 Housing](#), Table 18A.3, 2023, accessed 22 February 2023.

¹⁰² AHURI, [Public stock transfers to community housing the best option for a sustainable and financially supportable housing system](#), 2015.

The National Regulatory System for Community Housing (NRSCH) regulates community housing providers across all states, except Victoria and Western Australia, which have their own regulatory systems aligned with the NRSCH. Community housing providers under the NRSCH are registered under one of three tiers (tier 1, tier 2 or tier 3), reflecting the nature, scale and scope of different operations.¹⁰³ The National Regulatory Code within the NRSCH sets out performance requirements under 7 areas, which registered community housing providers must comply with. These areas include tenant and housing services, housing assets, community engagement, governance, probity, management and financial viability.¹⁰⁴

Community housing providers use a range of service and business models to deliver housing solutions and often engage in joint ventures with government, private industry and the philanthropic sector. Some models focus on creating a mix of private, affordable housing as well as social housing, and include community infrastructure and facilities.¹⁰⁵

While the community housing sector has undergone significant growth in recent years, data for community housing has gaps and inconsistencies, presenting issues in developing and monitoring evidence-informed housing policies and programs. Some areas of data gaps or no data include government expenditure and waitlist and register characteristics.

Although states are primarily responsible for providing and maintaining social housing assets, all governments acknowledge the importance of social housing and are working together to increase the supply of social housing. Several Australian Government initiatives are aimed at social and affordable housing to be delivered and managed by the community housing sector, along with states and territories. See *1.3 The broader housing and homelessness agenda for the full list of initiatives*.

- a \$2 billion Social Housing Accelerator to boost social housing stock across Australia.
- the Housing Australia Future Fund will help build 30,000 new social and affordable housing properties in its first five years, and create thousands of jobs.
- the expansion of the remit of the National Housing Infrastructure Facility to deploy up to \$575 million to accelerate the supply of social and affordable housing.

The National Housing Finance and Investment Corporation helps to improve housing outcomes and grow the community housing sector. It administers the Affordable Housing Bond Aggregator (AHBA), which provides cheaper long-term finance for registered community housing providers. As at 30 June 2023, the AHBA had supported over 17,800 new and existing social and affordable homes.¹⁰⁶

¹⁰³ National Regulatory System Community Housing, [Categories of registration \(Tiers\)](#), Accessed 16 March 2023

¹⁰⁴ National Regulatory System for Community Housing, [National Regulatory Code](#), accessed 18 April 2023.

¹⁰⁵ Benedict. R, et al., [Private sector involvement in social and affordable housing](#) AHURI Final Report No. 388, 2022.

¹⁰⁶ NHFIC, [Our contribution | The National Housing Finance & Investment Corporation](#), accessed 4 August 2023.



Case Study – Vic Ground Lease Model

Under the Ground Lease Model, the land and all dwellings where new houses are built at existing public housing sites will remain under the ownership of the Victorian government. The ground lease models ensures neighbourhoods have a mix of new social housing, affordable housing, specialist disability and market rental homes.

Project partners will finance, design, construct, manage and maintain the new housing to a prescribed standard over a 40-year operating term. The assets will revert to full public ownership and control at the end of this fixed period. Under the long-term service contract, the project partner will receive a service fee for managing the project over the operating phase and meeting required social housing service standards.

Construction on Ground Lease Model 1 Projects commenced in February 2022 and is due for completion in early 2024, delivering 1,110 new homes at three sites.

Questions for consideration

1. What is the role of social housing for low-income Australians?
2. What factors should state governments and housing organisations consider when allocating social housing?
3. How can governments ensure social housing is built in the right location (including close to amenities, environmental, socio-economic, current and future hazard risk and cultural factors) and will meet current and future needs of social housing tenants and the broader community?
4. What are the key short-term and/or long-term social and economic issues in social housing?
5. What changes can be made to the current social housing system to improve outcomes for tenants and/or improve the efficiency and effectiveness of the social housing sector?
6. What are the most-effective wrap-around supports required to support Australians in social housing to maintain their tenancies? Are there existing effective models that could be scaled up?
7. What future role should the community housing sector play in Australia and what initiatives and funding mechanisms would support this?
 - a. Are there any capacity and capability constraints impacting on future growth of the community housing sector?
8. What changes to community housing regulation could improve outcomes for tenants, the community housing sector, governments and investors?
9. Do current regulatory approaches support future growth in the community housing sector?
10. How can governments and their partners best grow social housing stock?
11. How can social housing providers better support people with complex needs (such as people with disability, people from culturally diverse backgrounds and people with mental health, alcohol and other drug issues)?
12. In a multi-provider system which includes public and community housing, how can governments and housing organisations ensure that people in most housing need or with complex needs can access housing?
13. What significant issues within the social housing sector lack sufficient quality data to inform decision-making?

Affordable housing

Affordable housing is another form of subsidised housing, which is appropriate for the needs of a range of low to moderate-income households and priced so that these households find it easier to meet other basic living costs, such as food, clothing, transport, medical care and education.

Affordable housing enables people to live in desirable locations, including locations that are close to jobs and well connected to transport, infrastructure and other services. Affordable housing contributes to the diversity of housing options. Definitions, offerings and eligibility criteria for affordable housing vary between states and between individual affordable housing schemes, however, this generally refers to housing at a lower than market rate.¹⁰⁷ This can include affordable rental housing and affordable purchase products.

Typically, affordable housing has broader eligibility criteria than that of social housing and has been a middle ground available for people earning too much to be applicants for social housing but find it difficult to secure suitable private rental housing. Affordable housing can also provide a pathway out of social housing. It may also be available for people providing essential services such as nurses, teachers and police who are in need of housing close to their workplace.

Increasingly, affordable housing is financed, developed and managed by a combination of government, not-for-profit and for-profit institutions. Through the Housing Accord, all 3 levels of government have committed to working together to increase affordable housing and bring in more institution investment. The Australian Housing and Urban Research Institute has highlighted the importance of partnership across the public, community and private sectors, to build capacity throughout the housing industry to deliver more affordable housing.¹⁰⁸

Currently, there is very limited data available on the number of affordable rental dwellings in Australia, and it is therefore difficult to determine the unmet need for affordable rental housing.¹⁰⁹

¹⁰⁷ AHURI, [What is the difference between social housing and affordable housing – and why do they matter?](#), 2023.

¹⁰⁸ Benedict R, Gurran N, Gilbert C, Hamilton C, Rowley S and Liu S, [Private sector involvement in social and affordable housing](#), AHURI Final Report No. 388, 2022.

¹⁰⁹ AHURI, [What is the difference between social housing and affordable housing – and why do they matter?](#), 2023.



Affordable housing and housing affordability supports

The Australian Government has introduced a number of new initiatives to address housing affordability, including, among others, the National Housing Accord and the National Housing Supply and Affordability Council.

The National Housing Accord – affordable housing targets

The Accord aims to align the efforts of all levels of government, institutional investors and the construction sector to help tackle the nation's housing challenges. Key commitments under the Accord include:

- an aspirational national target of delivering 1 million new, well-located homes over 5 years from 2024
- an Australian government commitment of \$350 million over 5 years from 2024 to support the delivery of 10,000 affordable homes. States will build on this commitment to deliver up to 10,000 affordable homes, enabling delivery of up to 20,000 affordable homes in total.

The National Housing Supply and Affordability Council

The Council will deliver independent advice to government on ways to increase housing supply and affordability. Its functions will include:

- monitoring and reporting on conditions in the housing sector that impact home ownership, housing supply and affordability, rental affordability, homelessness
- working collaboratively with other Australian government bodies, state, territory and local governments and other stakeholders in the housing sector to support the collection and publication of nationally consistent data on housing supply and affordability and on demand for affordable housing.



Case study – Australian Capital Territory Affordable Community Housing Land Tax Exemption

Land tax exemptions are available in the Australian Capital Territory for homeowners who rent their properties at an affordable rate (75% or less of market rent) to eligible households, via a registered community housing provider. In some circumstances, property owners may also be eligible for a Deductible Gift Receipt for the difference between the market and affordable rent.

The initiative is targeted towards property owners who would like to offer a helping hand to those struggling to find appropriate and affordable accommodation, while also knowing the tenancy is being well managed.

Two local community housing providers are participating in the scheme:

- Community Housing Canberra participates through its real estate and property management arm, HomeGround Real Estate
- YWCA participates through its charitable property management service, Rentwell.

Questions for consideration

1. How can governments encourage delivery and availability of affordable housing in the short, medium and long-term? How can governments partner with institutional investors to support more housing development (particularly affordable housing)?
2. How can governments work with institutional investors to support more housing development (particularly affordable housing)?
3. How can all levels of government incentivise affordable resilient housing options in new builds, and affordable retrofitting for existing housing?

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

Housing costs

The relationship between housing costs and household income is often referred to as housing affordability.

In the past two decades, real absolute housing costs have increased for all tenure types. The most recent ABS release (2019–20) on housing is some years old. In it, the average weekly costs for housing were \$379 for renters and \$493 for owners with a mortgage. However, since the COVID-19 pandemic, there has been a marked increase in housing costs across the board that is not captured in the ABS release. The median weekly cost for rent in June 2023 – according to CoreLogic data – was \$589, while housing costs for many households with a mortgage have been affected by the current interest rate tightening cycle.¹¹⁰

In Australia, most policy makers focus on the proportion of people in housing stress, using the 30/40 indicator. This indicator considers a household in housing stress when a household in the bottom 40% of the income range spends more than 30% of its gross income on housing (including rent, mortgage payments, rates, taxes and insurance).¹¹¹

According to the Productivity Commission, in 2019-20, low-income households (households in the lowest income quintile, with income up to \$543 per week in 2019-20 dollars) had to spend 43% of median income to make median rent.¹¹² For households in the second lowest quintile, it was 32%. Additionally, most low-income private renters spend significantly more than 30% of income on rent and around half have less than \$500 after housing expenses.¹¹³

A NHFIC analysis of 2021 Census data found that around half of all households earning between \$41,600 and \$78,000 are paying more than 30% of their income on rent.¹¹⁴ Below this income level, significantly more households pay more than 30%.

Home ownership

Benefits of home ownership include:

- Providing the security of long-term tenure. This allows a greater sense of connection to community and opportunities for employment.¹¹⁵

¹¹⁰ Commonwealth of Australia, [Measuring what matters](#), July 2023; CoreLogic *Quarterly Rental Review*, July 2023.

¹¹¹ AHURI, [Understanding the 30:40 indicator of housing affordability stress](#), 2019.

¹¹² Productivity Commission, *In need of repair: the National Housing and Homelessness Agreement*, 2023, p.305.

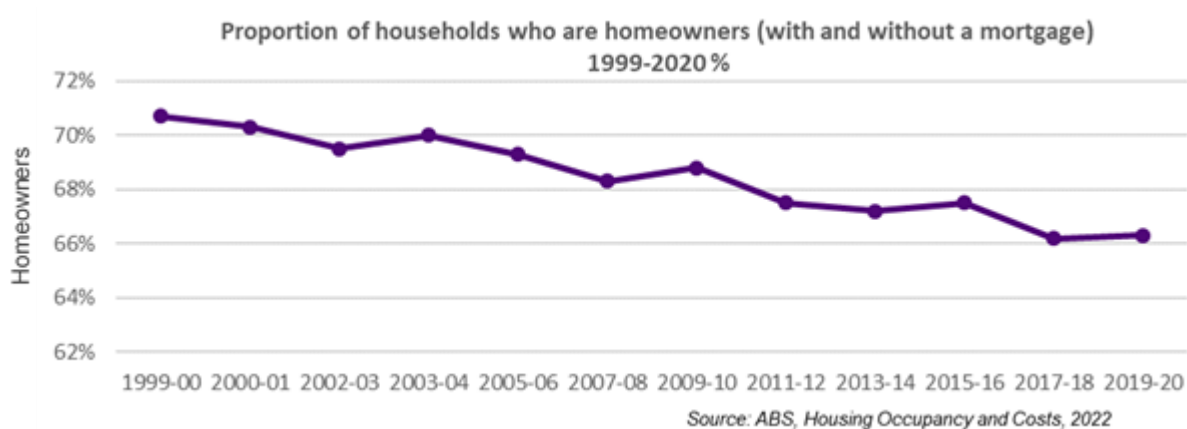
¹¹³ Productivity Commission, [Vulnerable Private Renters: Evidence and Options, PC, 2019](#), p.17.

¹¹⁴ National Housing Finance and Investment Corporation, *State of the nation's housing 2022-23*, NHFIC, 2023, p.85.

¹¹⁵ Commonwealth of Australia, [Out of reach? The Australian housing affordability challenge](#), 2015.

- Housing costs tend to be significantly lower once mortgages have been paid off. Noting trends may have shifted, homeowners without a mortgage spend 3% of their disposable income on housing, compared with 20% for renters in the private market in 2019-20.¹¹⁶
- People who own their own homes are significantly better off in retirement.¹¹⁷
- Home ownership and lack of overcrowding have significant health benefits, particularly for Aboriginal and Torres Strait Islander peoples.¹¹⁸

The proportion of Australians who own their own home has decreased over the last 20 years. Noting trends may have shifted over the past 2 years, in 2019–20 the proportion of households who owned their own home (with or without a mortgage) was 66%, compared to 70% in 1999-00.¹¹⁹



Some groups of people find it harder to purchase a home. The proportion of young Australians who are homeowners declined significantly between 1976 and 2021.¹²⁰

While there is limited data on the experiences of people with disability in the housing market, the available data suggests some people with disability struggle to find housing they can afford, and are vulnerable to housing or rental stress. People with disability may also face additional costs, such as for modifying housing to ensure it is accessible and meets their needs.¹²¹

Home ownership is lower for women than for men. In 2022, men owned 30% of all properties compared with women owning 27% (with the remaining properties being jointly owned), although the share of women purchasing property has increased over time.¹²² For women who purchase a home, it takes longer to save for a deposit than their male peers.

¹¹⁶ ABS, [Housing Occupancy and costs](#), 2019–20.

¹¹⁷ Commonwealth of Australia, [Retirement Income Review](#), 2020.

¹¹⁸ National Aboriginal Community Controlled Health Organisation (NACCHO), [Submission to the National Housing and Homelessness Agreement Review](#), February 2022.

¹¹⁹ AIHW, [Home ownership and housing tenure](#), 2022.

¹²⁰ ABS, [Housing Occupancy and Costs](#), ABS, Australian Government, 2022.

¹²¹ AIHW, [People with Disability in Australia](#), 2022.

¹²² CoreLogic, [Women and Property: One year on](#), CoreLogic Asia Pacific, 2022.

Older women paying off a mortgage experience higher levels of housing stress than their male peers.¹²³ Women over 55 are at risk of financial and housing insecurity due to factors such as:

- More likely to work part time or casually throughout their lives due to caring responsibilities
- Gender pay gaps
- Lack of superannuation
- An increasingly unaffordable private rental market
- Age discrimination.¹²⁴



The National Strategy to Achieve Gender Equality

The Australian Government is developing a National Strategy to Achieve Gender Equality to guide whole-of-community action to make Australia one of the best countries in the world for a gender equal society. It is an important mechanism to elevate and prioritise actions that will achieve gender equality. The strategy will describe how gender inequality exists in specific areas including housing and infrastructure.

Submissions made as part of the consultation for the Strategy can be resubmitted in response to this Issues Paper, and can be referenced in submissions where stakeholders would like to provide additional information.

The price of housing has been increasing faster than income levels

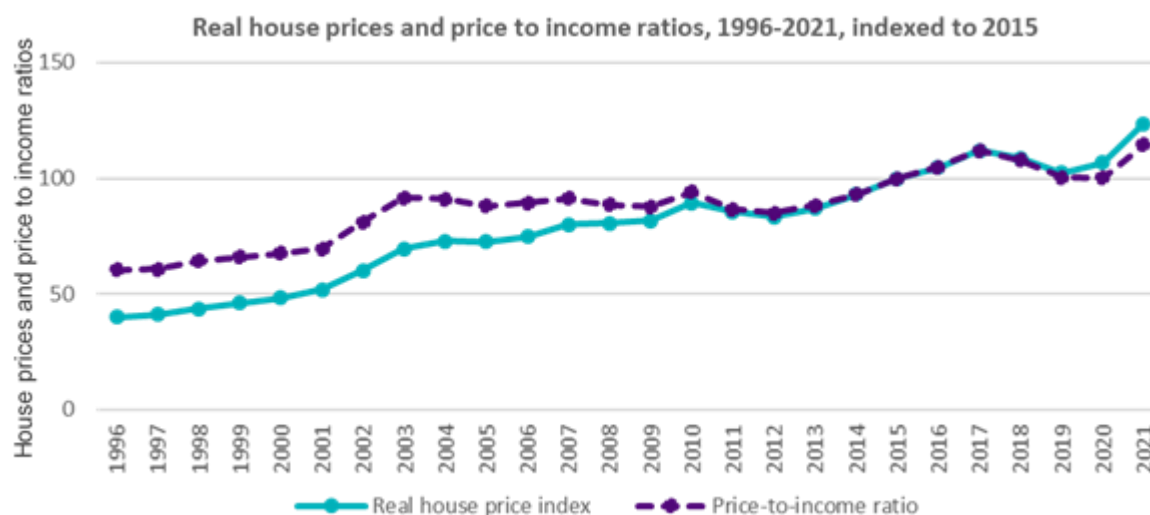
The issue of house prices is complex and depends on a range of interconnected factors including macro-economic conditions and regulation at the Australian Government, state and local government level.

With the price of housing increasing at a higher rate than wages, the proportion of yearly wages needed to save for a deposit has also risen.¹²⁵

¹²³ AHURI, [What are the real costs of Australia's housing crisis for women?](#), 2023.

¹²⁴ AHURI, [What are the real costs of Australia's housing crisis for women?](#), 2023.

¹²⁵ ANZ, CoreLogic, [Housing Affordability Report](#), May 2023.



Source: OECD Affordable Housing Database, latest year available at May 2023.

Debt as a proportion of income, and debt to asset ratios have also increased, with household debt making up 211% of disposable income in 2021 (up from 133% in 2001),¹²⁶ and the median debt to asset ratio increasing from 0.16 in 2009–10 to 0.18 in 2019–20.¹²⁷

These rising price to income ratios are increasing the time it takes for Australians to save for a home.

Investment properties

In 2019–20, 21% of Australian households owned a property other than their usual residence.¹²⁸ These included properties rented on the private market and properties used for other purposes, such as holiday homes. The majority (68%) of people who owned a property other than their usual residence owned only one additional property, while 4% owned 4 or more additional properties. Trends in the ownership of investment properties may have shifted since 2019-20.

Investors – both institutional and individual – are an important source of funding, particularly given the limited rental supply in Australia.

¹²⁶ OECD, [Household debt \(indicator\)](#), 2021.

¹²⁷ ABS, [Household Income and Wealth Australia](#), 2019–20.

¹²⁸ ABS, [Housing Occupancy and Costs](#), ABS, Australian Government, 2022.



Homebuyer supports

The Australian Government and state governments administer schemes to support first homebuyers, including the Home Guarantee Scheme, shared equity schemes and government lending authorities. These include:

The Australian Government's Home Guarantee Scheme – an initiative to support Australians to achieve home ownership. From 1 July 2022 the existing Home Guarantee Scheme was expanded to make available:

- 35,000 places each financial year to support first home buyers to purchase a home with a deposit of as little as 5% (the First Home Guarantee)
- 5,000 places each financial year to 30 June 2025 to support single parents with dependents to purchase a home with a deposit of as little as 2% (the Family Home Guarantee)
- 10,000 places each financial year to 30 June 2025 to support regional first home buyers to purchase a home with a deposit of as little as 5% (the Regional First Home Buyer Guarantee).

From 1 July 2023, friends, siblings and other family members will be eligible for joint applications under the First Home Guarantee and regional First Home Buyer Guarantee. Eligibility for the Family Home Guarantee will also be expanded to include single legal guardians of children such as aunts, uncles and grandparents. All three guarantees will also become available to eligible borrowers who are Australian Permanent Residents, in addition to Australian citizens.

Shared equity schemes allow lower income home buyers to share the capital cost of purchasing a home with an equity partner. These schemes, such as the Australian Government's Help to Buy scheme, allow lower income homebuyers to buy sooner as they need a lower initial deposit and have lower ongoing housing costs. Such schemes are administered by the ACT, New South Wales, Queensland, South Australian, Tasmanian, Victorian and Western Australian governments.

Government lending authorities are government organisations that provide low deposit home loans for people who are unable to meet the deposit requirements of mainstream lenders. Such schemes exist in Queensland, South Australia and Western Australia. The Northern Territory provides loans for people building their own home. The Australian Government provides lower deposit loans for Aboriginal and Torres Strait Islander peoples through Indigenous Business Australia.

Private rental in Australia

Renters in Australia face a number of security and quality challenges. Long-term leases are rare, leading to higher levels of insecurity for renters. Private rental housing stock is diverse, though there is increasing evidence of fairly widespread problems, such as poor dwelling conditions (e.g. across maintenance, and basic health and safety requirements), tenure insecurity, and unaffordability.¹²⁹

While the private rental market may be less stable than home ownership, many Australians choose to rent due to a range of reasons, including mobility. Traditionally, relocating for work, study and travel is easier and less costly for those in the rental market, partially due to the cost of stamp duty and other government fees.¹³⁰

With high house prices (particularly housing in inner-city locations close to employment and educational opportunities), renting may enable some families to live in highly desirable areas where they would not be able to buy.¹³¹

Increasing house prices and barriers to entering the housing market mean, for too many Australians, home ownership is out of reach. Similarly, as renters spend increased proportions of their incomes on housing, their ability to save for a deposit is further reduced.

A number of Australians (particularly low-income households) experience barriers to entering the rental market. As well as affordability barriers, the ability of low-income households to access the private rental market can be impacted by the costs and time it can take to navigate the private rental system (including time taken to attend inspections and complete applications, as well as up-front costs such as bonds and deposits).¹³²

Barriers to gaining rental accommodation may be further amplified by direct and indirect discrimination. This issue affects many vulnerable cohorts seeking rental accommodation throughout Australia, including Indigenous Australians, people with disabilities, members of established ethnic minority groups, and new migrants and refugees. Discrimination in the rental market can also occur based on age, gender and sexuality.¹³³

¹²⁹ Baker, E. and Daniel, L. (Eds.) [Rental Insights: A COVID-19 Collection](#), AHURI, 2020.

¹³⁰ Property Council of Australia, [The economic impact of stamp duty: Three reform options](#), Deloitte Access Economics, 2015.

¹³¹ Hulse K, Morris A and Pawson H, *Private Renting in a Home-owning Society: Disaster, Diversity or Deviance?*, *Housing, Theory and Society*, 36:2, 167–188, 2019.

¹³² Parkinson S, James A and Liu E, [Navigating a changing Private Rental Sector: opportunities and challenges for low-income renters](#), AHURI, 2018.

¹³³ Maalsen S, Wolifson P, Rogers D, Nelson J and Buckle C, [Understanding discrimination effects in private rental housing](#), AHURI, 2021.

Availability

The private rental sector has been the fastest growing housing sector in Australia.¹³⁴ As house prices increase, people who would have traditionally entered the housing market are instead remaining in the private rental market. As a result, middle and higher-income earners are increasingly living in private rental properties, which would usually be accessible to low-income earners, particularly in locations close to jobs, infrastructure and services (such as childcare).¹³⁵ This has led to a shortage of affordable rental houses for low-income households in those locations.¹³⁶

As the number of people seeking rental properties has grown, Australia is experiencing a period of very low rental vacancy rates and rising rent levels. Certain cities have been particularly affected, for example Hobart, Melbourne, Perth and Sydney.¹³⁷

Analysis by the Reserve Bank of Australia shows that, although national asking rents increased significantly between 2019 and March 2023, asking rents in inner-city Melbourne and Sydney remain below pre-pandemic levels. The pandemic's travel restrictions led to weaker demand, a higher prevalence of rent reductions, higher vacancy rates and lower net migration.¹³⁸ Because these impacts were particularly acute in inner-city Melbourne and Sydney, rental prices fell further and were slower to start increasing than in other capital cities.¹³⁹



Rental Tenancy Legislation

Jurisdictions each have their own residential tenancies legislation, collectively referred to as the Residential Tenancies Act (RTA). Although these RTAs were developed independently of each other, similar principles underpin them such as: standard forms of agreement, terms, charges and notice periods; market rents; and accessible dispute resolution.¹⁴⁰ Broadly, RTAs apply to most private and social housing tenancies. They act as a single comprehensive regulatory source for most aspects of a tenancy, apart from other statutory provisions and common law principles that still apply.

On 28 April 2023, through National Cabinet, Housing Ministers committed to develop a proposal for National Cabinet in the second half of 2023 outlining reforms to strengthen renters' rights across the country.

¹³⁴ ABS, [Housing Occupancy and costs](#) ABS, Australian Government, 2022.

¹³⁵ Gurrán N, Hulse K, Dodson J, Pill M, Dowling R, Reynolds M and Maalsen S, [Urban productivity and affordable rental housing supply in Australian cities and regions](#), AHURI, 2021.

¹³⁶ Hulse K, Morris A and Pawson H, *Private Renting in a Home-owning Society: Disaster, Diversity or Deviance?*, *Housing, Theory and Society*, 36:2, 167–188, 2019.

¹³⁷ CoreLogic *Quarterly Rental Review*, July 2023.

¹³⁸ Hanmer F, Marquadt M, [New Insights into the Rental Market](#), Reserve Bank of Australia, 2023.

¹³⁹ *ibid.*

¹⁴⁰ C Martin, K Hulse, M Ghasri, L Ralston, L Crommelin, Z Goodall, S Parkinson and E O'Brien Webb, [Regulation of residential tenancies and impacts on investment](#), AHURI, 2022.



Case study – Tasmania’s Private Rental Incentives

The Private Rental Incentives Program encourages private property owners to make their homes available for affordable rent to low-income households with low or no support needs.

Properties are head-leased from the private rental market with lease terms of 2 years and rents capped at between 25% to 30% below the region’s median rates. Property owners receive guaranteed rent and an incentive payment between \$6,600 and \$9,900 per annum. The program assists low-income households into secure, affordable private rental accommodation.

Tenancy and property management is provided on behalf of the property owners by one of the Tasmanian Government’s registered and experienced community housing providers, Centacare Evolve Housing (CEH). CEH provides fee-free tenancy management services to the property owners and properties are managed in accordance with the *Tasmanian Residential Tenancy Act 1997*.

The program has helped 492 households to access affordable private rental accommodation from July 2015 to December 2022.



Case study – Northern Territory Rent Choice

In March 2022, the Northern Territory Government established a rental subsidy program, Rent Choice, in partnership with the community housing provider Venture Housing. Rent Choice is a time-limited program, designed to provide an immediate mechanism to increase access to housing that is affordable, and reduce rental stress for key workers in the Northern Territory.

Modelled on a similar program in New South Wales, Rent Choice targets key workers in priority industries with hard-to-fill roles, providing rental subsidies of between 20% and 40% of private market rent. As at 31 January 2023, 278 households were receiving rental subsidy payments with an average payment of \$180 per household per week.



Commonwealth Rent Assistance (CRA) and Private Rental Assistance (PRA)

CRA is a non-taxable payment from the Commonwealth to people who receive income support payments or family tax benefits, and who are in the private rental market or in community housing. CRA is assessed as part of the application for income support or family tax benefits, and the amount paid is dependent on household structure (i.e. single, couple, or families with dependent children).

CRA has a considerable impact on reducing rental stress. At December 2022, CRA was able to reduce the number of recipient households in housing stress by around 28%.

PRA is financial assistance provided by all state governments to low-income households experiencing difficulty in securing or maintaining private rental accommodation. PRA is usually provided as a one-off form of support and includes bond loans, rental grants, rental subsidies and relief, and payment of relocation expenses.

Direct and indirect impacts on the housing market

Supply and demand affect housing costs, and can be affected by other settings. Changes in the number of houses and the demand for houses affect the cost of housing. Supply, demand and affordability vary significantly across different areas of Australia. The most critical factor is the supply of land in desirable locations, including locations that are close to jobs and well connected to infrastructure and other services. Other factors include:

- Construction costs and supply chain issues – In the March quarter 2023, 32,871 dwellings units had been approved, but not yet commenced.¹⁴¹ Supply chain problems are slowing down home building, leaving projects unfinished, and slowing the restoration and/or rebuilding of existing buildings, adding to housing pressures.¹⁴²
- Workforce shortages – in 2022, 47% of occupations in the Technicians and Trades sector were experiencing workforce shortages, this includes construction workers, plasterers and electricians.¹⁴³ Workforce shortages can be exacerbated by rental costs, particularly in regional and remote areas, where a shortage of suitable accommodation can present a barrier to people moving to work.¹⁴⁴

¹⁴¹ ABS, Building Activity, Australia, March 2023.

¹⁴² AHURI, [Why does Australia have a rental crisis, and what can be done about it?](#), 2022.

¹⁴³ National Skills Commission, [Skills Priority List Key Findings Report](#), 2022.

¹⁴⁴ Impact Economics and Policy, *Housing Critical – the role of housing in solving critical skills shortages in the regions*, 2022.

- Utilisation of existing properties – the number of long-term rentals available has been impacted by the rise of short-term letting (i.e. Airbnb), however, this is likely only in specific areas.¹⁴⁵ Short-term letting platforms like Airbnb are most likely to impact tourism-rich areas (such as inner-city suburbs and regional and coastal areas).¹⁴⁶
 - In Hobart, for example, as at June 2022, 47% of Airbnb short-term rental properties had previously been available in the long-term rental market, suggesting a possible link between increases in short-term letting and low availability of rental properties.¹⁴⁷
- Taxation – the way housing is taxed can affect supply and demand, such as stamp duty or taxation incentives for build-to-rent accommodation.

In addition, regional and remote areas can be particularly affected by additional drivers of housing costs and challenges. High construction costs are a major challenge, and can be compounded by:

- vast distances between populated areas and low population density
- limited local workforces and challenges of attracting workers to remote projects
- high maintenance costs (operating and maintenance costs are 3 times greater for housing in remote areas, compared to housing in capital cities)¹⁴⁸
- exposure to extreme climate and weather events, including drought, bushfire and flood – rural and remote areas can be more vulnerable to the risks of natural hazards, requiring greater investment to protect or maintain these assets.¹⁴⁹

¹⁴⁵ AHURI, [Why does Australia have a rental crisis, and what can be done about it?](#), 2022.

¹⁴⁶ Crommelin T, Parkinson M, [Technological disruption in private housing markets: the case of Airbnb](#), AHURI, 2018.

¹⁴⁷ Phibbs P, Eli J, [Monitoring the Impact of Short-Term Rentals on Tasmanian Housing Markets](#), ShelterTas, 2022.

¹⁴⁸ Lea T, Grealy L, Moskos M, Brambilla A, King S, Habibis D, Benedict R, Phibbs P, Sun C and Torzillo P, [Sustainable Indigenous housing in regional and remote Australia](#), AHURI Final Report No. 368, 2021.

¹⁴⁹ Australian Government Department of Infrastructure, [Challenges and opportunities in regional infrastructure](#), 2021.



Addressing workforce shortages

Australian Skills Guarantee

The Australian Government announced in the October 2022–23 Budget that the Australian Skills Guarantee will apply to Australian Government funded housing projects in the National Housing Accord. The Australian Skills Guarantee will ensure that 1 in 10 workers on major Australian Government funded projects are an apprentice, trainee or paid cadet, and include targets for women.

Employment White Paper

The Australian Government is also developing the Employment White Paper, which will guide the future of Australia's skills and labour market and address topics including the future of work, job security, labour supply, and skills and training.

Australian Apprenticeships Incentives System

Further, the Australian Government is investing \$2.3 billion over 4 years from 2022–23 to strengthen the Australian Apprenticeships Incentives System. Investment focuses on the Australian Apprenticeships Priority List, targeting occupations in demand to support a pipeline of skilled workers, including construction workers, plasterers and electricians.

Questions for consideration

1. What should the most important (long-term) and/or immediate (short-term) housing market policy focus be, across all levels of government, over the next 10 years?
2. How can the utilisation of existing properties be improved? How can governments incentivise improved utilisation of existing properties?
3. How do supply, demand and affordability challenges differ in urban and regional/remote areas? How could these differences be taken into account when designing policy?

Home ownership

4. How can the use and release of land encourage residential growth in well located areas (i.e. close to infrastructure, jobs and services, and resilient to natural hazards) in the short, medium and long-term?
5. Are there ways to improve supply chain issues to support more efficient housing supply and reduce building costs?
6. What role can housing by design play in improving housing supply and affordability?

Rental Properties

7. How can flexibility, accessibility (particularly in the physical environment), affordability and security be improved in the rental private market, particularly for low-income earners?
8. Are further wrap-around supports required to support vulnerable Australians in the private rental market to maintain their tenancies? Are there any examples of effective models that could be scaled up?

3.6 The importance of planning, zoning and development

Land use planning and zoning

Land use planning and zoning play an important role in the housing system by regulating the use of land and guiding future development.

Planning and zoning is the responsibility of state and local governments. Planning and land use regulations determine where housing can be built and the nature of housing.

Responsibility for planning and land use regulation is shared between:

- state governments – responsible for overarching planning and development policies, strategic plans for metropolitan and regional areas, releasing land for new developments, coordinating and investing in major infrastructure
- local governments – responsible for developing and implementing land use plans at the local level and processing the majority of development proposals.

In maintaining these systems, state and local governments are pursuing various reforms to provide certainty, improve assessment timeframes, reduce red tape and deliver best outcomes.

The effects of planning, land use and zoning on the housing system

Land supply and land use regulations play an important role in making cities more liveable and sustainable. Within strategic, long-term visions for the places where Australians live, zoning divides areas into zones for different purposes, realised through development.

Effective planning can ensure efficient land use, mitigate ongoing risk and hazard exposure, protect against environmental harm, and encourage healthy and well-connected communities. Effective planning can also create job certainty and support economic growth.

The potential benefits of effective land use planning for households include improved amenity and character, reduced air, noise and visual pollution from commercial and industrial activities; proximity to employment, shopping, services, public transport; access to open or green space for recreation, and access to appropriate housing types and densities in communities.¹⁵⁰ For example, in some states and territories, planning supports the delivery of social and affordable housing.

¹⁵⁰ McDonald J, McMillen D, 'The Economics of Zoning', *The Oxford Handbook of Urban Economics and Planning*, Oxford University Press, 2012.

Planning challenges include balancing regulation and consultation to provide certainty and realise the above outcomes, while ensuring flexibility and minimising complexity and costs.

Regulation can constrain the supply, affordability, accessibility, safety and sustainability of housing, including (noting variations between jurisdictions):

- complex and time-consuming development assessment processes, which can add to the costs of investment and housing
- unnecessary and costly delays to a development due to appeals and review processes – in some jurisdictions, once an applicant lodges an appeal, it can take between 6 to 12 months for a hearing¹⁵¹
- limited flexibility for variation from planning controls, alternative uses within zones or for land uses to change in response to economic and social changes – for example, a local government may zone a piece of land exclusively for manufacturing, only for external factors to make manufacturing economically unviable in that location
- regulatory costs such as fees and contributions, and costs associated with delays and uncertainty involved in seeking permits or seeking a rezoning to accommodate a new use – overly restrictive regulations cause a greater reliance on rezoning, which can be a costly, time-consuming and uncertain process
- limited coordination of growth with infrastructure can result in delays in enabling infrastructure; as well as reducing access to public transport, public services and spaces (i.e. local supermarkets, health care providers, public spaces, cultural sites and access to Country and natural environments) – this is particularly an issue in new release areas.

It should be noted that where areas provide superior access to jobs and service opportunities, there will be a significant difference in land price premiums regardless of planning controls.

¹⁵¹ PC, [Plan to Identify Planning and Zoning Reforms](#), 2021.



Planning and zoning initiatives

National Housing Accord

Under the National Housing Accord, signatories have agreed to support the aspirational target to build 1 million new, well-located homes over 5 years from 2024. To help achieve this target, the Accord states that jurisdictions will:

expedite zoning, planning and land release for social and affordable housing

work with local governments to deliver planning and land-use reforms, which will make housing supply more responsive to demand over time.

The Australian Government is identifying whether suitable Commonwealth land can be released for housing to assist as part of the contribution to delivering social and affordable housing.

National Housing Infrastructure Facility (NHIF)

The NHIF is a \$1 billion facility, providing finance for eligible infrastructure projects that will unlock new housing supply, particularly affordable housing.

The NHIF offers concessional loans, grants and equity finance to help support critical housing-enabling infrastructure projects such as electricity, gas, water, sewerage, stormwater, telecommunications and roads infrastructure.

In October 2022 the NHIF was expanded so \$575 million in uncommitted funds could be invested in social and affordable housing.

National Cabinet reform package

On 28 April 2023, National Cabinet agreed to a comprehensive package of reforms that recognise the housing challenges faced by all levels of government to support a national approach to the growth of Australia's cities, towns and suburbs.

As part of this package, First Ministers tasked Planning Ministers, to come back with proposals to increase housing supply and improve planning systems around Australia. These changes support the goal of the National Housing Accord to enhance the responsiveness of supply and provide the housing Australians need.

National Urban Policy

The Australian Government is committed to developing the first comprehensive National Urban Policy in over a decade. The Policy will be developed in partnership with experts to understand issues around urban planning, property design and sustainability. This includes establishing a National Urban Forum of experts that will inform the Policy.



Case study – South Australia affordable housing planning provisions

The SA Housing Authority enables the private development industry to supply at least 15% of significant new residential development as affordable home purchase or rental opportunities through planning incentives in the development assessment process. The Authority has agreements in place with private and not-for-profit sector developers representing 121 residential projects that will yield approximately 4,473 affordable dwellings over the next 10 years.

Builders and developers build homes to a set price point (\$417,000 as at 15 February 2023) and may apply for up to a 15% price variance above the set price point if they can demonstrate the home includes features that provide an ongoing benefit to the homeowner, such as cost savings offsetting higher mortgage payments. Cost savings may include energy efficiency features, close proximity to public transport, or a specialised finance product (such as shared equity).

Homes are listed for sale at a set price through HomeSeeker SA, which provides exclusive access to eligible purchasers for the listing period.



Case study – South Australia building Karoonda Initiative

To address housing supply and affordability issues, Karoonda East Murray Council in South Australia offered cash rebates of 90% of the purchase price when buying designated vacant blocks of council land in 2020. Purchasers were eligible for the rebate if they commenced building a house within a set timeframe, and could pay under \$2,000 in total for the land after receiving the rebate. The initiative was aimed at renters in the area looking to buy their own property and free up rentals, as well as those looking to relocate or purchase an investment property.

Now in Stage 2 of the initiative, the Karoonda East Murray Council will run the rebate program alongside a new self-funded initiative where the Council will have 3 turnkey houses built on council-owned blocks to be sold between \$250,000 and \$300,000.



Case study – Western Australia planning for reform

In 2019, the Western Australian Department of Planning, Lands and Heritage commenced a comprehensive program of planning reform to create an easier to use, more streamlined and strategically focused planning system. Key achievements of Phase 1 – Action Plan for Planning Reforms include the new Design WA policy suite, which has progressively reformed State Planning Policies to create well designed built environments to support vibrant liveable communities. Revised State Planning Policies have since been adopted to guide improved apartment design and precinct scale development, delivering broad housing benefits and outcomes.

Phase 2 – Planning Reforms is now examining opportunities for the WA Planning system to better support the delivery of social housing. These reforms include:

- reviewing delegations to the Department of Communities to increase scale of development (up to 20 dwellings) that can be determined 'in-house' (reform complete)
- reviewing Region Planning Schemes to achieve greater alignment, where aligned exemptions would exempt approximately 98% of development from the need to obtain development approval (under review)
- investigating the provision of a density bonus to incentivise private sector development that includes the provision of at least 5% social or community housing.

Productivity Commission Review – recommendations on planning and zoning

The 2022 Productivity Commission's review of the National Housing and Homelessness Agreement explored land use planning and zoning. The review acknowledged the importance of planning and zoning regulations and how they can both positively and negatively affect the supply and affordability of new housing (including consideration of inclusionary zoning and land release strategies).

The review argued although states are reforming land use planning, more needs to be done to ensure housing supply responds to demand. As such, the review made the following recommendations in relation to land use planning:

1. states should report annual progress against land supply targets
2. state and local governments should revise their planning regulations to promote greater housing density and diversity
3. all states should set housing targets and work with local governments to meet these targets
4. the next National Housing and Homelessness Agreement should acknowledge the importance of housing supply as a solution to housing affordability and replace planning reforms with housing targets.

In March 2021, the Productivity Commission also released *the Plan to Identify Planning and Zoning Reforms* which considered the impacts of planning and zoning policy on patterns of economic activity.

The paper suggested the following reforms:

- aligning plans at different levels of government so governments are collectively better able to meet their development objectives
- creating land use regulations which allow for a broad range of uses and wherever possible limiting the need for rezoning or outright prohibitions on certain land uses
- getting more of the simpler decisions out of the detailed assessment processes (through greater use of streamlined assessments or exemptions)
- making the administration of development assessments more efficient.

Questions for consideration

1. To what extent is the supply, affordability and diversity of houses affected by planning and zoning regulations and administrative processes?
2. How can planning and zoning regulations effectively increase the supply of land in well-located areas taking into consideration current and future hazard risk?
3. How can governments work together to be more responsive and flexible to housing demand pressures, both now and in the future?
4. What is the role of state and local governments in the improvement of speed and/or transparency of development assessment processes to help improve supply of housing and the affordability of homes?
5. How can the development assessment process address community concerns, so the length of appeals processes is minimised, and developers have an efficient path to resolve issues and gain approval?
6. How can state and local governments improve accessibility (particular in the physical environment) through planning and zoning, for example, to ensure transport systems are accessible for the whole community?
7. What key short, medium and long-term planning and zoning reforms could be explored in the Plan?
8. What other reforms, beyond planning and zoning, can governments implement to improve the speed and efficiency of the supply of housing?
9. How can governments and other stakeholders (e.g. property developers) ensure that planning and housing decisions do not create or embed hazard risks?

3.7 The impact of climate change and disasters on housing security, sustainability and health

Climate change impacts the availability and quality of housing

As the climate warms, Australia will experience both acute and slow-onset climate impacts. Acute impacts (disasters) can affect the availability of housing, while slow-onset impacts such as increases in average temperatures can affect occupants' comfort. Examples of expected climate impacts include rising sea levels, longer fire seasons, more heatwaves, flooding, storm surges and short-term heavy rainfall.¹⁵²

The impacts of disasters are being felt across the country. Floods and fires have caused wide-scale damage to, and loss of, housing, often impacting entire communities. This is expected to continue as climate change increases the rate and severity of these disasters.¹⁵³ Community recovery from disaster events is often slow, with significant additional resources and capacity required to support those living in affected areas.¹⁵⁴ Climate disasters can place strain on transitional and short-term housing services and providers as well as the broader housing sector due to increased demand. The National Emergency Management Agency works with local communities to provide strategic oversight and guidance to help prepare for, respond to and recover from disaster events.

Even for those who are not impacted by disasters, the impacts of climate change can be seen in rising costs for households. Climate change impacts housing costs in a number of ways,¹⁵⁵ including rising insurance premiums and increasing energy consumption and usage and demand. These rising housing costs will particularly impact low-income households, who are more likely to live in poor quality housing which require higher energy usage.¹⁵⁶

As climate change increases the risk and severity of disasters, as well as the cost of recovery, insurance is becoming more expensive and unattainable. One in 25 houses are expected to have annual damage costs from extreme weather and climate change that make them effectively uninsurable by 2030.¹⁵⁷ Insurance barriers can lead to housing insecurity following disasters, particularly for low-income households who may not be able to pay higher premiums or relocate to insurable and appropriate housing.¹⁵⁸

¹⁵² Bureau of Meteorology; Commonwealth Scientific and Industrial Research Organisation (CSIRO), [State of the Climate 2022](#), 2022.

¹⁵³ Senate Environment and Communications References Committee (Senate ECRC) '[Current and future impacts of climate change on housing, buildings and infrastructure](#)', report to the Senate, Australian Government, 2018.

¹⁵⁴ Osborn et al., 'Disaster preparedness: services for people experiencing homelessness and the pressure-cooker response', *Australian Journal of Emergency Management*, 2019.

¹⁵⁵ Lefebvre and Reinhard, [The cost of extreme weather: building resilience in the face of disaster](#), McKell Institute, 2022.

¹⁵⁶ Bezgrebelna et al, 'Climate Change, Weather, Housing Precarity, and Homelessness: A Systematic Review of Reviews', *International Journal of Environmental Research and Public Health*, 2021; Liu et al., [Poor quality housing and low-income households](#); Paddam S, Liu C, and Philip S, [Home insurance affordability and socioeconomic equity in a changing climate](#), Actuaries Institute, 2022.

¹⁵⁷ Hutley et al. [Uninsurable Nation: Australia's most climate-vulnerable places](#), Climate Council, 2022

¹⁵⁸ Bezgrebelna et al, *Climate Change, Weather, Housing Precarity, and Homelessness*, Int J Environ Res Public Health. 2021.

In addition, housing quality and sustainability affects our physical and mental health, with one study finding improved energy efficiency and thermal comforts reduced breathlessness and improved mental health of participants.¹⁵⁹

People experiencing or at risk of homelessness are least able to recover following disasters

Someone without access to appropriate housing (including those experiencing homelessness and cost of living pressures) will be less able to prepare for, endure and recover from extreme weather events.¹⁶⁰ Limited protection from weather extremes, such as heatwaves, increases the risk of mortality and health conditions.¹⁶¹ Someone who is already experiencing homelessness prior to a disaster will often have less access to public safety information and services, which both increases danger during events and creates barriers for recovery after the event.¹⁶² People can also be left homeless following disasters, for both long and short periods of time.¹⁶³

Regional and remote Aboriginal and Torres Strait Islander communities are often more vulnerable to climate change impacts

Aboriginal and Torres Strait Islander peoples are more exposed to climate change impacts and risk being more affected. For example, many homes in remote Aboriginal and Torres Strait Islander communities do not have the resources needed to heat and cool in response to extreme weather.¹⁶⁴ This inadequate heating and cooling can affect health, particularly for infants and older Australians. Providing appropriate and quality housing to withstand adverse climate impacts in regional and remote Aboriginal and Torres Strait Islander communities will not only improve health outcomes, it will also reduce home running costs and improve affordability in the medium to long term.

Aboriginal and Torres Strait Islander communities have a connection to Country and expertise which can strengthen climate change actions,¹⁶⁵ such as ensuring place-based initiatives are developed to suit the local context and environment. Further, there are better life outcomes when Aboriginal and Torres Strait Islander people are included in the decision-making and development of policy and services which affect them.¹⁶⁶ In recognition of this, the Australian Government is currently developing the First Nations Clean Energy Strategy in partnership with the First Nations Clean Energy Network.¹⁶⁷ The first National Climate Risk Assessment will consider nationally significant climate risks including those

¹⁵⁹ Sustainability Victoria, The Victorian Healthy Homes Program: Research Findings, [The Victorian Healthy Homes Program – Research findings \(sustainability.vic.gov.au\)](#), 2022.

¹⁶⁰ Senate Environment and Communications References Committee (ECRC), [Current and future impacts of climate change on housing, buildings and infrastructure](#), 2018.

¹⁶¹ Bezgrebelna et al, *Climate Change, Weather, Housing Precarity, and Homelessness* Int J Environ Res Public Health. 2021.; Steffan W, Mallon K, Kompas T, Dean A, and Rice M, [Compound Costs: How climate change is damaging Australia's economy](#), Climate Council, 2019.

¹⁶² Bezgrebelna et al, 'Climate Change, Weather, Housing Precarity, and Homelessness' Int J Environ Res Public Health. 2021.

¹⁶³ *ibid.*

¹⁶⁴ Lea et al, [Sustainable Indigenous housing in regional and remote Australia](#), AHURI, 2021.

¹⁶⁵ Green D, Minchin L, 'Living on Climate-Change Country: Indigenous Health, Well-Being and Climate Change in Remote Australian Communities', *EcoHealth*, 2014; Ford et al, 'The Resilience of Indigenous Peoples to Environmental Change', *One Earth*, 2020; HEAL Network & CRE-STRIDE 2021, *Climate Change and Aboriginal and Torres Strait Islander Health*, Lowitja Institute, Melbourne, DOI: 10.48455/bthg-aj15.

¹⁶⁶ Commonwealth of Australia, [National Agreement on Closing the Gap](#), Department of the Prime Minister and Cabinet, 2020.

¹⁶⁷ Department of Climate Change, Energy, the Environment and Water, [First Nations Clean Energy Strategy](#).

relating to vulnerable groups and the built environment. The inaugural National Adaptation Plan will address the significant risks identified by the assessment.

More information on the need for Aboriginal and Torres Strait Islander peoples and government to work in partnership is in *3.3 Aboriginal and Torres Strait Islander Housing*.

Sustainable housing

Appropriate housing can protect Australians from some climate change risks, but many homes are vulnerable to the impacts of climate change

Effective housing design can reduce and protect from the negative impacts of extreme temperatures and disasters. The National Construction Code (NCC) sets out the minimum performance requirements for the design, construction and performance of buildings (2003). The NCC defines 8 climate zones in Australia, each with different design and construction requirements for resilient and comfortable housing. The NCC adopted requirements for thermal performance in 2003 with the Nationwide House Energy Rating Scheme. However, houses built before 2003 are not subject to the minimum requirements and the NCC is not applied consistently across Australia.

Some homes across Australia are not designed to withstand climate change or increasing disasters, such as homes built in known bushfire and flood prone areas or homes lacking passive design principles. Modifications to existing housing can increase thermal performance and reduce heating and cooling needs (which can make up 20–50% of household energy usage depending on the climate zone).¹⁶⁸ However, some households face barriers to retrofitting homes, such as low-income homeowners, social housing residents or renters. Households, particularly low-income households, may be reluctant to redirect resources from more immediate expenses to disaster resilience due to uncertainty on disaster likelihood¹⁶⁹ and the costs involved.¹⁷⁰

For rental properties, there are limited financial incentives for landlords to invest in more energy efficient infrastructure, particularly with low vacancy rates and energy costs most commonly covered by tenants.¹⁷¹

Costs involved with the regular maintenance and retrofitting of social housing, along with limited resources or broader supply chain issues, mean that not all social housing stock is able to adequately protect against climate impacts.

¹⁶⁸ Department of Climate Change, Energy, the Environment and Water, [Heating and Cooling](#), n.d.

¹⁶⁹ New South Wales Independent Flood Inquiry, [2022 Flood Inquiry](#), 2022.

¹⁷⁰ Senate ECRC, [Current and future impacts of climate change on housing, buildings and infrastructure](#), 2018.

¹⁷¹ AHURI, [Climate change and low-income housing](#), 2021.



Case study – Gympie Recovery Accommodation Park

Following the February 2022 flooding event that resulted in many Gympie residents being displaced, the Queensland Government worked with the Gympie Regional Council to accommodate flood-impacted households. On 6 April 2022, the Queensland Government executed an initial, 24-month lease over the Gympie Caravan Park and worked to deliver 26 units of accommodation. This included reinstating existing park dwellings, transporting cabins from other locations, and building units.

A small team of Queensland Government staff provide property and tenancy management services on-site, with funding provided for a Community Action Inc. mobile support worker to provide outreach support. Between April 2022 and May 2023, 16 flood-affected households have transitioned into longer-term housing, including 4 households assisted into social housing, one household that secured a private rental, 3 households assisted into properties head leased from the private rental sector. Four households have reunited with family or relocated, 2 households have transitioned into community housing and 2 households returned to their home after completion of repairs or purchased a property.

Investment has supported an enhanced housing and homelessness response in Gympie, including funding a care coordinator and homelessness outreach worker, building the capacity of the sector and strengthening responses to reports of homelessness. The Queensland Government has funded a non-government provider to provide emergency hotel accommodation for homeless families under the Immediate Housing Response Fund and a support worker to work with these families to support their transition into longer-term accommodation. A focus for 2023–24 includes identifying accommodation options for people with a disability and those in high needs groups.



Case study – New South Wales solar panels and air conditioners for social housing residents

Solar panels have been retrofitted at over 6,300 New South Wales social housing dwellings to reduce carbon emissions and energy bills for social housing residents in New South Wales. Solar panels have been prioritised for properties in Far West New South Wales and regional areas that experience hot summers and cold winters.

Air conditioners have also been retrofitted at 2,200 dwellings in Far West New South Wales and Regional New South Wales to replace aged flued gas, electric space heaters and wood fire heaters. Solar panels and air conditioners help social housing residents to heat and cool their home, without facing higher electricity bills.

A 2022 survey of social housing residents with solar panels and air conditioners highlighted the benefit of the program. The majority of residents were satisfied or very satisfied with their new solar panels (92%) and air conditioner (93%). Residents reported their new air conditioner was easy to operate (87%), improved comfort of living areas in summer months (92%), and reduced energy bills (78%).



The National Energy Performance Strategy

The Australian Government is developing a National Energy Performance Strategy. This strategy will support Australian jobs, take action on climate change, and ensure all Australians can access affordable energy. It will accelerate demand-side action to uplift energy performance, improve affordability and reduce emissions. The Australian Government is working closely with states and territories through the National Energy Transformation Partnership to ensure that the Strategy complements and enhances existing work being undertaken by jurisdictions.

Submissions made as part of the consultation for the National Energy Performance Strategy can be resubmitted in response to this Issues Paper, and can be referenced in submissions if you would like to provide additional information.

In the 2023-24 Budget, the Australian Government announced the Energy Savings Package as a down payment on the National Energy Performance Strategy.

As part of this package, a \$1.3 billion Household Energy Upgrades Fund will be established to support home energy upgrades to improve energy performance. The Fund includes:

- \$1 billion for low-cost financing from the Clean Energy Finance Corporation for home upgrades that save energy;
- \$300 million to support upgrades to social housing; and \$36.7 million to develop further initiatives to improve energy performance.

Questions for consideration

1. How can governments improve housing and accommodation service coordination to better support individuals affected by hazards?
2. How can governments support hazard resilient housing and housing modifications for new and existing housing, in particular within rural and remote locations that are more likely to be impacted by extreme weather events?
3. How can governments better encourage the uptake of energy efficient housing modifications and design?
4. How can housing policies and programs support people who have been displaced due to climate disasters?
5. What options should be explored for improving the energy efficiency of rental properties?
6. How can hazard resilience and thermal performance of housing in regional and remote locations be improved?

Your feedback is important

Your ideas and experiences will help drive long-term, nationally consistent change for individuals and families impacted by housing and homelessness.

This Issues Paper has been developed as a way to seek your feedback on what the Plan should address.

We want you to consider what parts of the housing systems governments and the sector need to improve, including how governments can better work together. Throughout the paper are a series of discussion questions that may help you in providing feedback. Submissions do not need to include a response to every discussion question. These questions have been included as a prompt to guide you on which areas would be useful to explore further in the development of the Plan. We also want to know whether these issues align with your experience.

We note that there have been several inquiries and reviews into housing in Australia over recent years with similar submission processes and as such, you are welcome to resubmit previous submissions for the purposes of this consultation process.

How to get involved

Respond to the guided, short-form questions:

- You may wish to respond to all of the questions, or choose to answer only the questions of most interest to you.
- Individual responses may not be published, or may only be published in part.

Lodge a written submission online:

- If you lodge a written submission, please include headings with the relevant topics or questions you are addressing.
- If you are representing an organisation, we encourage you to provide case studies, data and evidence to support your views.
- The Government may choose to publish submissions. As such, when lodging a written submission, you will be asked to specify whether you would like your submission to be published on the department's website.

Other ways to share your feedback

Email a written submission: You can email your written submission directly to HousingandHomelessnessPlan@dss.gov.au

Language translations: Please contact us at HousingandHomelessnessPlan@dss.gov.au should you require support for translations (including braille).

Video or audio response: To provide a video or audio response, including in Auslan, please email HousingandHomelessnessPlan@dss.gov.au for guidance.

Mail a written response: If you cannot complete the guided, short-form questions, or provide a submission online, you can print a PDF [492 kB] or DOCX [96 kB] version of this document and provide a written submission to:

National Housing and Homelessness Plan
Department of Social Services
GPO Box 9820
Canberra, ACT 2601

For **written or recorded submissions**, please let us know if you would like your input to remain anonymous.

To understand more about the Department of Social Services Privacy Policy, visit this [link](#).

Future opportunities to provide feedback: There will be more opportunities to share your views throughout the development of the Plan.

You can find further information and register for updates on the consultation process on the [DSS Engage platform](#).

If you have any questions about making a submission, please email: HousingandHomelessnessPlan@dss.gov.au.

Snapshot of Australia's housing - infographic references

Centre for Population, [National Projections](#), 2023

ABS, [Estimated dwelling stock](#), 2023

CoreLogic, [Monthly Housing Chart Pack March 2023](#), CoreLogic Asia Pacific, 2023

ABS, [Snapshot of Australia](#), 2022

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AIHW, [Housing Assistance in Australia](#), 2022

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SUBMISSION TO NATIONAL HOUSING AND HOMELESSNESS PLAN

ACKNOWLEDGEMENT OF COUNTRY

The City of Melbourne respectfully acknowledges the Traditional Owners of the land we govern, the Wurundjeri Woi-wurrung and Bunurong Boon Wurrung peoples of the Kulin and pays respect to their Elders past, present and emerging.

We acknowledge and honour the unbroken spiritual, cultural and political connection the Wurundjeri, Bunurong, Dja Dja Wurrung, Taungurung and Wadawurrung peoples of the Kulin have to this unique place for more than 2000 generations.

We are committed to our reconciliation journey, because at its heart, reconciliation is about strengthening relationships between Aboriginal and non-Aboriginal peoples, for the benefit of all Victorians.

Homes Melbourne acknowledges that Aboriginal peoples continue to live in sacred and spiritual relationships with the land.

We also acknowledge the spiritual homelessness of many people experienced through their separation from traditional land, culture, family and kinship groups.

Melbourne is a city with a conscience: we recognise that sovereignty has never been ceded. It always was, and always will be, Aboriginal land.

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The term 'Aboriginal' is used to refer to both Aboriginal and Torres Strait Islander peoples. Use of the terms 'Koori', 'Koorie' and 'Indigenous' are retained in the names of programs, initiatives and publication titles, and unless noted otherwise, are inclusive of both Aboriginal and Torres Strait Islander peoples.

SUBMISSION TO NATIONAL HOUSING AND HOMELESSNESS PLAN

1. INTRODUCTION

City of Melbourne welcomes the opportunity to provide feedback on the National Housing and Homelessness Plan Issues Paper (the Issues Paper). We applaud the action taken by the Australian Government on housing, including the announcement of the Housing Australia Future Fund, the National Housing Accord and the preparation of this National Housing and Homelessness Plan (the National Plan). These actions reflect the ambition of the government in addressing housing and homelessness issues and are commendable.

In our city, we are facing a housing and homelessness crisis; a situation mirrored across Australia. Visible homelessness, people sleeping rough on the streets, is just the tip of the iceberg in our homelessness crisis. Many more women, children and families are part of the hidden problem – sleeping in their cars, on other people's couches and in severely overcrowded or temporary accommodation. We have a shortage of 6000 affordable homes in the City of Melbourne, and 21 per cent of City of Melbourne households are in housing stress (SGS Economics and Planning, 2019).

In response to these housing and homelessness challenges, in 2022 City of Melbourne established Homes Melbourne to increase the supply of safe, secure and affordable housing and strengthen the provision of specialist homelessness services. Although the provision of housing and homelessness services is not a traditional role of local government, we have taken action in response to the growing crisis in our city.

Homes Melbourne recognises that the complexity and extent of the housing and homelessness crisis in our municipality needs a comprehensive, targeted response. The City of Melbourne is a leader in local government responses to homelessness and affordable housing. We challenge ourselves as a city to do better, and we are committed to dedicating resources to drive positive change. Our position and commitment is set out in our Affordable Housing Strategy (adopted in 2020) and our forthcoming Homelessness Strategy 2024-30, and is reflected in our advocacy, our planning scheme and our operational policies.

In one of the largest investments by a Victorian local government we have contributed one of our Council-owned buildings to transitional supported housing through our *Make Room* project, and we are actively working to make more Council land available for social and affordable housing. Appendix A and B detail current Homes Melbourne initiatives.

The housing and homelessness challenges facing Australia are complex, growing, and have been decades in the making. They require a courageous, sophisticated and far-reaching response. There is no single solution and some of the solutions will not be popular. The National Housing and Homelessness Plan is a unique opportunity to address these challenges. We have reviewed the Issues paper and we are concerned that the opportunity for meaningful action will be lost. Our submission outlines what actions are essential for the National Plan to successfully address the housing crisis.

This submission has been prepared by City of Melbourne management. Given the timeframe for making submissions, this document has not been formally endorsed by Council prior to lodgement. A letter of approval will be provided after the Council meeting on 23 October 2023, including an addendum if required. All recommendations included in the submission reflect existing Council positions, as articulated in various strategies and policies. All other sections add context to recommendations and are provided by City of Melbourne management.

Given the nature of this submission is a response to the Issues Paper, and early phase in the development of the National Plan, our response provides insights and opportunities for local, state and federal government jurisdictions. In this submission, we use the term "affordable housing" as per the definition in Victorian legislation, which includes social housing.

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1.1. General recommendations

Recommendation 1: Establish a vision to end homelessness and provide all Australians with access to housing that meets their needs.

Recommendation 2: Recognise affordable housing, including social housing, as essential infrastructure.

1.2. Homelessness and homelessness services

Recommendation 3: Adopt a Housing First approach to ending homelessness.

Recommendation 4: Establish ways for agencies to work together to share information on individuals sleeping rough to support best outcomes (known as a By Name List).

Recommendation 5: Provide long-term funding for services associated with homelessness, including transitional housing, and services that improve coordination between intersecting systems such as housing, health, justice, education and family violence.

Recommendation 6: Establish reforms to the income support system to increase Commonwealth Rent Assistance, income support payments and improve government service coordination.

Recommendation 7: Prioritise the unique service and support needs for groups that are over-represented in the homeless population and/or have unique needs: Aboriginal peoples, people experiencing chronic homelessness and sleeping rough, women and young people (aged 15 to 25).

Recommendation 8: Develop a National Cultural Safety Framework, based on the Victorian Aboriginal Housing and Homelessness Framework, to ensure that homelessness services and housing options respond to cultural needs.

Recommendation 9: Establish a dedicated children and youth homelessness plan. This should be underpinned by the voice of children and young people.

Recommendation 10: Ensure that people on temporary visas are able to access homelessness support services, housing pathways and income support payments.

Recommendation 11: Establish an ongoing mechanism to consult with people with a lived experience of homelessness to ensure the national housing and homelessness plan is working and supported.

1.3. Aboriginal Housing

Recommendation 12: Ensure that at least 1 per cent of surplus government land is allocated to Aboriginal Controlled Housing organisations, in line with Victorian Aboriginal Housing and Homelessness Framework.

Recommendation 13: Include a commitment to work directly with and resource Aboriginal controlled housing organisations.

Recommendation 14: Develop a dedicated National Housing and Homelessness Plan for Aboriginal peoples.

1.4. Social housing

Recommendation 15: Provide ongoing capital and operational funding for Registered Housing Agencies to develop housing and build capacity.

Recommendation 16: Provide substantial ongoing investment to build new public housing.

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Recommendation 17: Commit to identifying and developing underused Australian Government-owned land that is appropriate for affordable housing.

Recommendation 18: Redevelopment of public housing, including mixed tenure developments, should result in a net increase in public housing units and capacity, and should not be driven solely by financial outcomes. Social impacts must be considered, including the need to minimise disruption to and displacement of residents.

Recommendation 19: Explore ways for the Australian Government to directly partner with and fund local government to deliver housing projects.

Recommendation 20: Ensure federal funding requirements do not present a barrier to the use of council-owned land for affordable housing, for example, the misalignment between eligibility criteria under the Housing Australia Future Fund and the maximum lease term of council land under the *Local Government Act 2020 [Vic]*.

1.5. Housing costs, home ownership and private rental

Recommendation 21: Review and reform tax and regulatory structures to address housing inequity. The holistic review and reforms should seek to:

- Reduce land and housing speculation and redistribute tax incentives to improve the supply of quality housing for owner-occupiers.
- Increase diversity in the housing market by encouraging a range of public, not-for-profit and other alternative delivery models.
- Consider and evaluate options to encourage institutional investment (e.g. superannuation) in affordable housing.

Recommendation 22: Establish a definition of Build to Rent housing or encourage the establishment of such a definition by state governments to link the land use and this housing delivery model with appropriate public policy and regulation.

Recommendation 23: Address the impact of the Short Term Rental Accommodation sector, including by enabling local governments to introduce regulations that respond to unique STRA operating environments in their local communities.

1.6. The importance of planning, zoning and development

Recommendation 24: Require state governments to introduce mandatory inclusionary zoning to facilitate affordable housing contributions from private development.

Recommendation 25: Ensure policy consistency in definitions of social, affordable and key worker housing to ensure outcomes delivered are targeted to those most in need on very low to moderate incomes.

Recommendation 26: Support and encourage fast-track processes for developments that provide more than 25 per cent affordable housing.

Recommendation 27: Ensure local governments remain the primary decision maker in local planning matters. Where the Victorian or Australian Government is decision maker, ensure meaningful input from local governments and communities, as well as adherence to agreed minimum standards of consultation and transparency in decision-making. This is particularly important where the scale and impact of development is of local and state/national significance.

1.7. The impact of climate change

Recommendation 28: Strengthen energy efficiency requirements in the National Construction Code, and establish a target for zero-emissions, climate-adapted new buildings and precincts by 2030, while enabling other levels of government to develop policies and regulations that address this target.

Recommendation 29: Provide increased funding for the retrofit and upgrade of social and affordable housing for heat and health.

Recommendation 30: Fund local infrastructure and nature-based solutions for resilience to extreme weather and community led resilience initiatives with a focus on vulnerable communities including those experiencing homelessness.

DRAFT

2. GENERAL COMMENTS IN RESPONSE TO THE ISSUES PAPER

Homes Melbourne welcomes a national approach to housing and homelessness and acknowledges that this has been an advocacy request from the sector for many decades. Housing and homelessness are complex issues and require a coordinated response across all tiers of government, the not-for-profit sector and industry. We make the following general comments in response to the issues paper. A response to each focus area is included in Section 3.

2.1. The National Plan should establish a bold and ambitious vision

This Plan is a once-in-a-generation opportunity to influence housing outcomes for Australians. It should establish a clear and ambitious vision, supported by objectives and targets.

Some of these targets and reforms have already been announced, such as the National Housing Accord, the \$10 billion Housing Australia Future Fund, and the reinstatement of the National Housing Supply and Affordability Council. The National Plan should coordinate these measures and articulate how they will achieve the overarching vision.

City of Melbourne is part of the Melbourne Zero Network, an alliance of diverse Melbourne-based businesses, brands, organisations and community groups publicly calling for change to make zero homelessness a reality and taking practical actions to end street homelessness in our city.

One of our objectives in the Council Plan 2021-2025 is to ensure universal access to housing, and the following priority is identified:

“Fair, appropriate and accessible range of affordable housing for people of all backgrounds is available, with special focus on people experiencing homelessness.”

A vision to achieve zero homelessness and provide affordable housing for all would align with these priorities.

Recommendation 1: Establish a vision to end homelessness and provide all Australians with access to housing that meets their needs.

2.2. The National Plan should coordinate efforts of all stakeholders and be integrated with other government policy

Housing and homelessness in Australia are influenced by many stakeholders and a range of policy areas. The National Plan needs to acknowledge this and ensure that the vision for housing in Australia is translated into other relevant policies and that the efforts of stakeholders are coordinated.

The National Plan should establish ways of working together, sharing information, streamlining processes and coordinating interventions across governments and stakeholders. In a study of four major cities – Melbourne, Vancouver, Toronto and Portland – researchers from the University of Melbourne found that vertical governance that aligned funding and priorities across levels of government was one of the most important aspects of delivering affordable housing (Raynor and Whitzman, 2020). The National Housing Accord goes some way towards this, however the details of the Accord and how it will function are unclear. As the overarching plan for housing and homelessness in Australia, the National Plan should articulate how the key agencies will work together, including under the Accord.

The current scope of the Issues Paper should be expanded to address other policy areas that influence housing and homelessness. A greater focus on policy areas such as taxation, finance and development is

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required. Multiple policy areas interact with housing and the National Plan should consider and influence these (refer Figure 1 below). Such policies can contribute to achieving the vision of the National Plan.

Figure 1: policy areas for the National Plan

Macroeconomic policy	Employment, skills and manufacturing	Welfare and retirement incomes	Immigration and settlement policy
Housing-related taxation		Housing finance	Urban and regional policy
Rental and first home buyer assistance	Residential tenancies law	Planning and development	Climate change policy
Social housing	Residential building quality and accessibility		Disability policy
Homelessness			Indigenous policy

Key: ■ Established core policy areas (NHHA) ■ New core policy areas ■ Policy areas for alignment with housing missions
■ Policy areas for articulation with housing missions

Source: Martin et al 2023

2.3. Affordable housing is essential infrastructure

Homes Melbourne supports the growing calls for social and affordable housing to be treated as essential infrastructure. Affordable housing is vital to the functioning of our society and economy and there are significant consequences in failing to provide enough affordable housing.

Infrastructure Victoria, the infrastructure advisory group to the Victorian Government, identified investment in affordable housing for vulnerable Victorians as one of its top three priorities in Victoria's 30 Year-Infrastructure Strategy (2016).

Reframing affordable housing in this way would ensure it is planned for and delivered based on forecast need and over the long term, like other forms of social and economic infrastructure. It should have reliable, ongoing funding that enables delivery. Like schools, health services and transport networks, affordable housing should be delivered in every community, in a way that responds to the needs of that community.

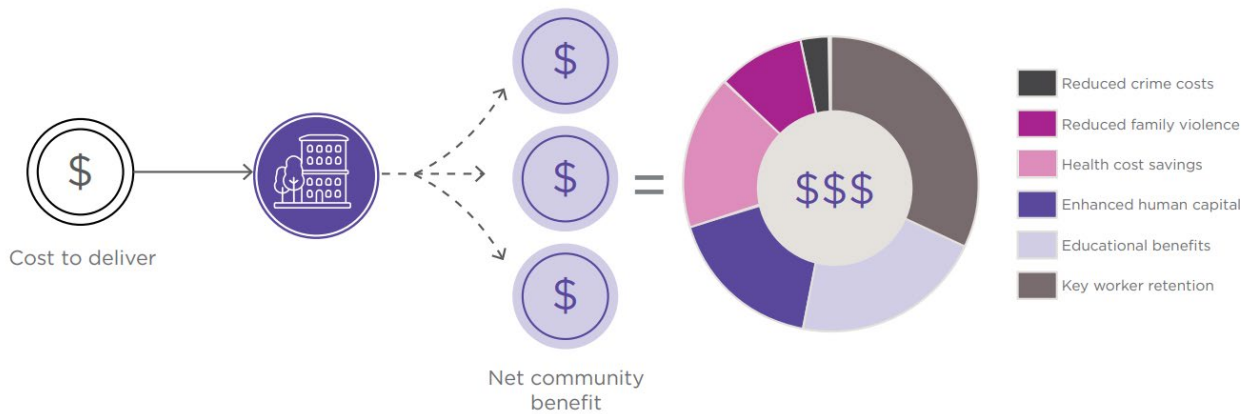
Recommendation 2: Recognise affordable housing as essential infrastructure.

2.4. Investing in affordable housing returns significant benefits

Research conducted by SGS Economics and Planning for Council in 2019 showed that for every dollar invested in affordable housing, there were \$3 in benefits (refer Figure 2 below).

Figure 2: Every \$1 spent on affordable housing provides \$3 of community benefit

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Source: SGS Economics and Planning 2019

Conversely, failing to invest in affordable housing will have significant social and economic impacts. In another report, SGS Economics and Planning (2022) estimates that the cost to government of failing to invest in affordable housing will reach \$25 billion per year by 2051.

The case for investing in affordable housing is compelling, and the Australian Government is best placed to do this, given it collects 81 per cent of tax revenue. This is discussed further in the Social Housing section below (Section 3.3).

2.5. The Australian Government has the greatest influence over housing and homelessness outcomes

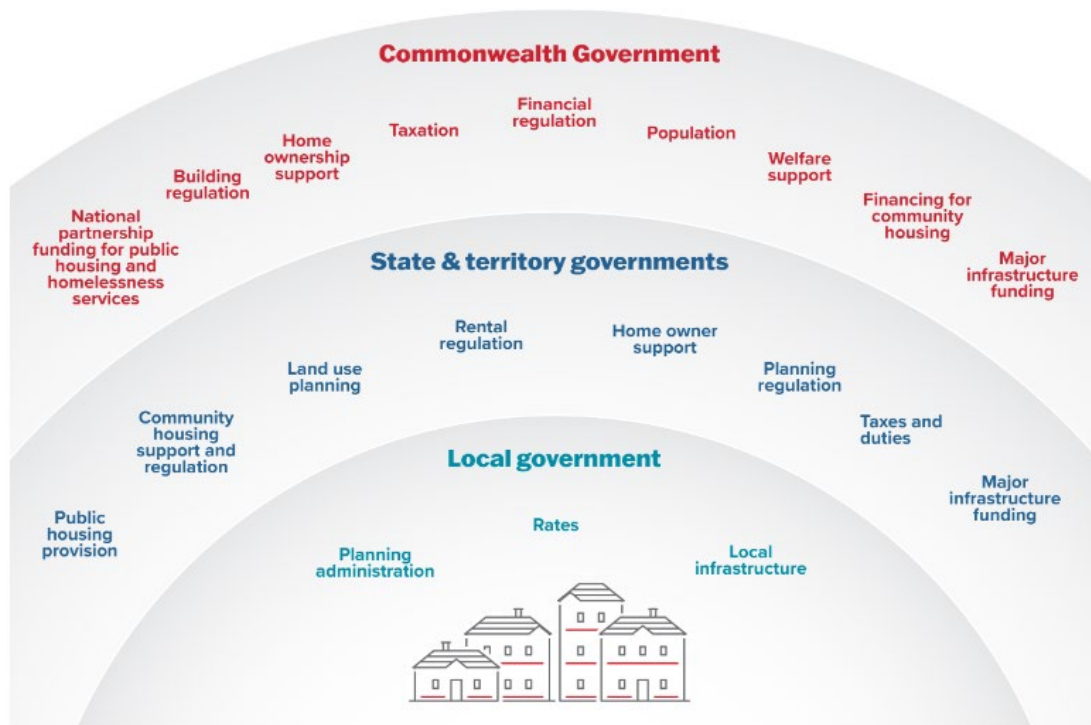
The Australian Government has a lead role and a direct influence in addressing housing and homelessness; as a major funder and project partner of state governments and the housing sector; and also as the legislator of many of the tax and market settings that influence housing. The Australian Government also controls the welfare system, which is directly linked to experiences of homelessness.

The roles of the tiers of government are established through the National Housing and Homelessness Agreement (NHHA). The NHHA makes it clear that the Commonwealth and States are responsible for leadership for housing and homelessness policy, and funding and maintaining adequate supply of social housing, and that local government's responsibilities are for building approval processes, local urban planning and development processes, and rates and charges that influence housing affordability.

However, the current NHHA is failing to deliver the housing and homelessness outcomes that are required. More needs to be done. Of all the tiers of government, the Federal level has the greatest number of levers with which to influence housing and homelessness, as shown in Figure 3 below (AHURI, 2023). In addition to controlling these levers, the Australian Government collects 81 per cent of tax revenue in Australia. Its investment and intervention in housing and homelessness should be commensurate with its revenue and utilise all the levers in its control.

Figure 3: housing and homelessness policy levers of the tiers of government in Australia

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Source: AHURI 2023

Historically, the federal and state governments have played a much larger role in housing supply, particularly social housing (further discussed in Section 3.3 below), compared with today. The Commonwealth-State Housing Agreement, formed in 1945, saw the construction of 96,000 dwellings over its first 10 years, and accounted for 16 per cent of total dwelling completions between 1945 and 1970. By the mid-1990s, this had reduced to 3 per cent.

The recently announced \$10 billion Housing Australia Future Fund, \$2 billion Housing Accelerator fund and \$1 billion National Housing Infrastructure Facility are significant contributions, but significantly more funding is needed. By way of comparison, Canada's National Housing Plan includes \$82 billion in funding over 10 years (Canada Mortgage and Housing Corporation, 2018).

City of Melbourne welcomes the involvement of the private sector and other stakeholders in the delivery of affordable housing. However, the Australian Government must continue to play a leading role in facilitating housing for those on the lowest incomes. Housing for very low-income earners requires significant subsidy and is unlikely to ever be feasible for the private sector in the absence of government funding. In addition, the greatest demand for affordable housing in the City of Melbourne is from very low-income households. The current market and rent setting models make it unfeasible for the private sector to deliver affordable housing for these people (unless there is government subsidy).

2.6. Consistency and definition of key terms are important

The terms 'social housing' and 'affordable housing' are commonly used but their definitions can vary across jurisdictions. In Victoria, the *Planning and Environment Act 1987* defines affordable housing, and the *Housing Act 1983* defines social housing. Both definitions are linked to very low, low and moderate income households.

Another concept that is emerging in public discussion around housing is that of 'key workers' (also known as 'frontline' or 'essential' workers). While frequently used, there is no clear or established definition of the term. City of Melbourne recently adopted a draft definition of 'key worker housing' (refer Appendix B) to address this.

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It is important for this concept to be linked to income, as some 'key' workers are on high incomes and do not require housing assistance¹. This definition is being tested with stakeholders in the development and social housing industry and a final definition will be considered by Council in February 2024.

It is important that social housing, affordable housing and key worker housing are defined in order to ensure housing assistance is delivered in a consistent way and targeted to those in need. The National Housing and Homelessness Plan should ensure that these terms are clearly defined, so that housing outcomes are targeted to those on very low to moderate incomes. The Plan should also seek to achieve consistency of definitions across states and in federal, state and local government regulation, to ensure planning regulations and other incentives deliver affordable housing for very low to moderate-income earners.

2.7. Increasing housing supply does not guarantee housing affordability or affordable housing

Increasing housing supply is important, but the National Plan must ensure that the supply of targeted, subsidised, affordable housing is increased, in addition to general housing supply.

Public discussions regarding housing affordability frequently refer to restrictions on supply (particularly planning) being a cause, and increasing supply being a solution. The rationale is that if we build more housing, supply will exceed demand, and housing affordability will improve.

Housing policy responses must be much more nuanced than this. The problem is not entirely one of housing supply, but a lack of affordable housing for households on very low to moderate incomes (Van den Nouwelant et al, 2016; Ong et al, 2017) and the increasingly inequitable distribution of housing (Pawson et al, 2020). This is evidenced by the continued increase in need for affordable housing, despite recent construction booms and the dramatic increase in the number of dwellings in Melbourne. The ongoing campaign for trickle-down housing is not delivering homes for very low to moderate income earners.

The argument to increase housing supply alone fails to account for incentives that encourage investment in and financialisation of housing, and the primary motivation of developers to deliver a profit on any given project. Existing incentives have reframed housing as an asset, rather than an essential form of shelter, and housing has become an attractive option for private investors. Rental housing is primarily seen as a wealth-generating tool rather than essential infrastructure. Multiple studies have shown that developers will not build and sell more housing stock if it means reducing sale prices, even where all necessary permissions are in place (refer Section 3.5 below). Doing so would not be in the best interests of these developers or their shareholders.

In this context, increasing the supply of housing alone is not guaranteed to result in improved housing affordability, nor an increase in affordable housing. Government subsidies or uplift mechanisms are essential in delivering affordable housing. The minimum cost of land, construction and demonstrable profit means that appropriate housing for very low to moderate income earners cannot be delivered by the market alone. Resolving the housing crisis requires addressing the shortfall of affordable housing through subsidies, not marginal improvements in housing supply. In short, increasing housing supply is not sufficient – we also need to supply the right type of housing.

¹ We acknowledge that in some areas, particularly rural and regional areas, there may be insufficient supply of housing for local employees and that targeted housing for these employees may be required, regardless of income.

3. RESPONSE TO ISSUES PAPER FOCUS AREAS

3.1. Homelessness and homelessness services

How can governments and community service providers reduce homelessness and/or support people who may be at risk of becoming homeless in Australia?

3.1.1. Homelessness in the City of Melbourne

In our city, we are facing a housing and homelessness crisis; a situation mirrored across Australia. Visible homelessness, people sleeping rough on the streets, is just the tip of the iceberg in our homelessness crisis. Many more women, children and families are part of the hidden problem.

Prior to 2021, the homeless population in Melbourne doubled in just five years, up from 926 in the 2011 census. This includes people sleeping rough on the streets, in derelict buildings, cars, 'couch surfing', staying in crisis accommodation or living in boarding or rooming houses. The scale of rough sleeping in our city was steadily increasing and is symptomatic of issues in the broader system. The COVID-19 pandemic disrupted this pattern, but with an end to measures introduced during this time and the continued increase in the cost of housing and cost of living costs, we anticipate homelessness will continue to increase.

Research suggests that people sleeping rough and unable to resolve their homelessness gravitate to central Melbourne over time from suburban and non-metropolitan locations. Data from the City of Melbourne-funded Night Time Safe Space Program supports this research. People attending the program have identified as coming from mostly inner and outer suburbs of Melbourne and also some regional areas.

Victoria has the second-highest number of people experiencing homelessness in Australia, with over 30,605 people, after New South Wales, which has 34,982 (ABS, 2021 census). The statistics show that 25 per cent of Australia's homeless population lives in Victoria. That's one in every four people experiencing homelessness.

In the 2021 Australian Census, a total of 1163 people were recorded as homeless in our municipality. The figure is down from 2016, when the Census recorded 1725 people as experiencing homelessness. On a per capita basis, City of Melbourne has 78 identified homeless persons per 10,000 people. City of Melbourne has the highest number of people sleeping rough in inner Melbourne with 130 people identified in 2021.

The 2021 census was taken during the COVID-19 pandemic, so the decrease in the homeless population does not necessarily indicate an ongoing trend. For example, in 2020, before the pandemic, more than 300 people slept rough in the City of Melbourne every night. During COVID-19, the Victorian Government accommodated people sleeping rough in hotels through the *From Homelessness to Home* (H2H) program, which could account for the decrease on census night. The long term impacts of the H2H program are yet to be measured and understood.

Certain groups are over-represented in the homeless population, particularly Aboriginal peoples (5 per cent of homeless population compared to 0.5 per cent of total population) and people experiencing chronic homelessness and sleeping rough. Refer Figure 4 below.

Figure 4: Homeless population in the City of Melbourne

- 130 people sleeping rough
- 5 per cent were Aboriginal peoples (Aboriginal peoples only comprise 0.5 per cent of our population)
- 15 per cent were young people aged 15 to 25

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- 36 per cent of all people experiencing homelessness were women, and 20 per cent of women were young women aged 20 to 24
- 1163 people experiencing homelessness in total

Source: ABS 2021 Census, released March 2023

City of Melbourne approach to addressing homelessness

Ending homelessness and rough sleeping is a key priority for the City of Melbourne. We lead a multifaceted approach that addresses the complex drivers of homelessness, while providing services and support for people in need. Our long-term goal is that safe and sustainable housing is provided for every person who is experiencing homelessness in Melbourne. Appendix A includes an overview of City of Melbourne's response to homelessness.

We are part of the Melbourne Zero Network – an alliance of diverse Melbourne-based businesses, brands, organisations and community groups publicly calling for change to make zero homelessness a reality and taking practical actions to end street homelessness in our city. Melbourne Zero Network is a coalition of what could seem to be unlikely partners, uniting to advocate for real change to end the stigma around street homelessness and position Melbourne as one of the most liveable cities for everyone.

City of Melbourne supports the Housing First approach which focuses on safe and permanent housing as the first priority for people experiencing homelessness. We are currently partnering with health and homelessness services, the Victorian Government and the corporate and philanthropic sectors to create pathways out of homelessness into secure housing. However, despite all our work over the past ten years, the lack of affordable housing in the city—particularly for those on very low incomes—remains a significant barrier to ensuring our residents have access to long-term, safe and secure housing.

3.1.2. A National Housing First approach

A National Housing First approach is essential to addressing and preventing homelessness. Housing First is a strategic response to homelessness that prioritises permanent and stable housing for people experiencing homelessness. It is only once stable housing is secured that other more enduring issues can be appropriately addressed. Providing a variety of housing options is critical to meeting the needs of different cohorts and ensuring they remain in housing long term. The best programs consult with and are informed by experts – people with a lived experience of homelessness.

Once housing is secured, a team of support workers can address complex needs through services like drug and alcohol counselling or mental health treatment. An individual's engagement with these support services is not conditional on them maintaining accommodation. This is different to other models of support that can require people to abstain from alcohol or drugs or comply with mental health programs to qualify for housing.

Housing First began in the United States in the 1990s, and its success has led to it being taken up in the United Kingdom, Spain, Italy, Ireland, France, Belgium, the Netherlands, Canada, and New Zealand. A longitudinal study of 225 people compared the outcomes from using a Housing First program versus using more traditional services. The research found that after two years, 88 per cent of those in the Housing First program retained their housing, compared to 47 per cent in the other programs (AHURI, 2012).

Recommendation 3: Adopt a Housing First approach for people experiencing homelessness.

3.1.3. Lack of supported accommodation options and funding for services

Addressing homelessness is complex and challenging because of compounding social, economic and policy factors. People experiencing homelessness are not a homogenous group. Homelessness can occur at any

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stage of life and to people from diverse backgrounds. Population growth, rising living costs, increasing rental costs, income support failing to meet the cost of rent and a lack of social and affordable housing are causing housing stress and homelessness.

The welfare system impacts homelessness. When someone is homeless, sleeping rough and just trying to survive each day, it is difficult for them to navigate their way through the complex administrative processes of the housing, welfare and health systems to get help. Many people at risk of homelessness also fall through the gaps in the service system; do not receive the help they need and end up on the streets.

The primary challenges within the homelessness system in Melbourne also include a lack of funding for and effective coordination of support services and a shortage of emergency accommodations and supported housing options. The Victorian Government has implemented various measures to address these challenges, including funding new housing initiatives and support services. However, more needs to be done, at a quicker pace, by all levels of government to create suitable accommodation and support options in our city.

In partnership with the private sector, not-for-profit sector and Victorian Government, the City of Melbourne is delivering its own supported transitional residential accommodation facility, Make Room. This will provide up to 50 studio apartments alongside living areas and wraparound support services for residents, providing transitional accommodation for a significant proportion of Melbourne's current rough sleepers. We would welcome further engagement with the Australian Government regarding new facility, including sharing learnings once it is established and operational in order to replicate the Make Room model in other jurisdictions.

An integrated service system is needed across local, state and federal government departments. The departments of housing, health, human services, education, justice and Centrelink services need to work collaboratively to improve housing outcomes for individuals interacting with various aspects of the system.

Early intervention and access to sustainable housing is also crucially important to prevent exit into homelessness from out of home care and the justice, health and mental health systems.

Recommendation 4: Establish ways for agencies to work together to share information on individuals sleeping rough to support best outcomes (known as a By Name List).

Recommendation 5: Provide long-term funding for services associated with homelessness, including transitional housing, and services that improve coordination between intersecting systems such as housing, health justice, education and family violence.

3.1.4. Increasing income support

Providing people with an adequate basic income is critical to preventing homelessness and sustaining long term housing. Prior to the COVID-19 response, income support payments had not increased in real terms in 25 years. The increased JobSeeker income support payment brought in during the pandemic had a life-changing effect for households who were briefly able to afford housing, food, healthcare and education – the fundamentals needed to thrive, not just survive. Increase introduced in 2023 have been welcomed by the sector; however, with housing costs and the cost of living increasing, income support also needs to increase.

Commonwealth Rent Assistance (CRA) is currently failing to meet actual rental costs. It is linked to Consumer Price Index (CPI) increases twice a year, but this is inadequate as rental prices are increasing faster than CPI (CCCLM, 2020). It is also paid at an even rate across the country, meaning that people living in higher rent areas such as the municipality of Melbourne and other capital cities are disadvantaged (Australian Institute of Health and Welfare, 2019).

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Recommendation 6: Establish reforms to the income support system to increase Commonwealth Rent Assistance, income support payments and improve government service coordination.

3.1.5. Prioritising the needs of particular cohorts

There are particular groups that are over-represented in homelessness figures, or who have unique needs that that are not being met through current service provision. These include Aboriginal peoples, people experiencing chronic homelessness or sleeping rough, children and young people, and women. These groups are discussed further below. It's important to note that while we highlight specific cohorts, we are also committed to achieving safe and affordable housing for everyone in our city. We also understand the intersectionality of identity – a person experiencing homelessness may hold the identity of many cohorts.

The National Plan should ensure that support services and housing options respond to the different cultural needs of people who are experiencing homelessness. This is important for Aboriginal peoples and could be extended to any cultural group that may have experienced trauma in built form environments. This could build on the findings of the *Blueprint for an Aboriginal-specific homelessness system in Victoria* developed by Aboriginal Housing Victoria and work done by the City of Melbourne for the Make Room project (refer Appendix A).

Recommendation 7: Prioritise the unique service and support needs for groups that are over-represented in the homeless populations and/or have unique needs: Aboriginal peoples, people experiencing chronic homelessness and sleeping rough, women and young people (aged 15 to 25).

Recommendation 8: Develop a National Cultural Safety Framework, based on the Victorian Aboriginal Housing and Homelessness Framework, to ensure that homelessness services and housing options respond to cultural needs.

Aboriginal Peoples

As shown in Figure 4, despite only 0.5 per cent of the City of Melbourne's population identifying as Aboriginal, 5 per cent of people experiencing homelessness and 15 per cent experiencing chronic homelessness are Aboriginal peoples. Aboriginal peoples in Victoria experience contact with homelessness services at 10 times the rate of other Victorians (Australian Institute of Health and Welfare, 2022). Despite Aboriginal peoples representing a high percentage of people experiencing homelessness, there is no Aboriginal-specific access point within Melbourne's CBD or established partnerships with Aboriginal Controlled Community Organisations (ACCOs).

Research to develop a proposed blueprint for an Aboriginal-specific homelessness system reported that Aboriginal peoples often find mainstream services 'cold' and 'scary' and lack culturally safe environments (Aboriginal Housing Victoria, 2022). Cultural safety means creating an environment where Aboriginal peoples feel safe, respected and empowered and can access support services that respect and acknowledge cultural identity, values and beliefs. Culturally safe environments address the systemic barriers and discrimination that Aboriginal peoples face in the homelessness system. This is discussed further in Section 3.2.3 below.

Chronic homelessness and people sleeping rough

Long term homelessness is defined as experiencing homelessness for more than 12 months. For people who experience homelessness, 70 % of 19-24 year olds, and 85 % of people over the age of 25 experience long term homelessness. People experiencing long-term homelessness have multiple and complex needs and many experience mental health difficulties. There are elevated rates of depression, substance abuse and severe mental illness (including psychosis and schizophrenia) in this population. The high prevalence of alcohol and drug use among individuals experiencing chronic homelessness is commonly a consequence of

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homelessness. It's a method often used to cope with the dangers, stress and anxiety they face during homelessness.

For people experiencing long-term homelessness, it is now widely understood that affordable housing alone is unlikely to be an adequate or lasting solution. Many who have been sleeping rough for an extended time have experienced deep trauma and violence, have complex needs and require physical and mental health support. People sleeping rough for an extended time usually require specialist housing and ongoing support. There is a lack of specialist housing with wraparound support services in Melbourne and nationwide. Without investment in tailored housing solutions for the people who have experienced long-term rough sleeping, the number of people ending up back on the streets will continue to rise.

Children and young people

In Melbourne, young people experience high incidences of homelessness – 15 per cent of people (174 people) who were homeless in our city were aged 15 to 25 (ABS, 2021 Census). Children who experience homelessness are more likely to become homeless when they reach adulthood. There is a strong correlation between homelessness and the following factors:

- childhood poverty,
- family breakdown,
- child protection or out of home care, and
- low levels of education.

Recent research in Victoria found that young out-of-home care clients are a 'distinctly vulnerable group for lifelong homelessness and entrenched rough sleeping' (DHHS, 2017). The research showed that among young people who have spent their lives in care and having never experienced 'home,' even a short period of sleeping rough is likely to develop into long term homelessness.

Given the likely impact of trauma on young people experiencing homelessness, there is a need to address mental health and wellbeing in young people in a way that differs from other cohorts. Because of this, we recommend a dedicated plan for addressing youth homelessness that is underpinned by the voices of children and young people.

Recommendation 9: Establish a dedicated children and youth homelessness plan. This should be underpinned by the voice of children and young people.

Women

Women aged 20 to 24 were the largest female age group experiencing homelessness in Melbourne, with 119 people out of 633, or almost 20 per cent (ABS, 2021 Census). Across our city, 36 per cent of people recorded as homeless in the 2021 Census were women. The number of women with young children who don't have anywhere to live has risen dramatically in the past five years. Family violence is the primary cause of homelessness for women and children in Australia (AHURI, 2022).

Women are less likely than men to sleep rough due to safety concerns, reducing their visibility. Women are also more likely to 'self-manage' their homelessness through strategies such as moving in with a partner, moving between family and friends, and seeking jobs providing housing such as live-in care work, further decreasing their visibility within the homelessness system. Women face systemic economic disadvantages when compared with men. Inequalities put women at a greater risk of experiencing homelessness or housing

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stress as they age. Women, on average, earned \$253.70 per week less than men in 2015-2016 (Gender Equity Victoria, 2016).

Temporary Visa Holders

In addition to these priority cohorts, people on temporary visas face significant disadvantage as they are unable to access income support, and may be excluded from accessing support services. This can lead to repeat and chronic homelessness.

Recommendation 10: Ensure that people on temporary visas are able to access homelessness support services, housing pathways and income support payments.

3.1.6. The voice of those with lived experience is critical

Consumer participation is a fundamental component of the City of Melbourne's homelessness response, and should also inform the development of the National Housing and Homelessness Plan.

In partnership with Council to Homeless Persons' Peer Education and Support Program, we ensure that people with a lived experience of homelessness meaningfully inform the development of policies and initiatives that impact the lives of people without a home.

The City of Melbourne is also establishing a Homelessness Advisory Committee, which will bring together people with broad and diverse knowledge and experience of issues relating to homelessness. It will be an important point of contact between Council and people who have personal and or professional experience and knowledge of homelessness.

Recommendation 11: Establish an ongoing mechanism to consult with people with a lived experience of homelessness to ensure the national housing and homelessness plan is working and supported.

3.1.7. Increase social housing

A key response to homelessness is to increase the supply of social housing. As noted above, in the absence of affordable housing options, homelessness responses are ineffective.

As discussed further in Section 3.3 below, a significant increase in the supply of social and affordable housing is required. Substantial, ongoing government funding, at both a state and federal level, is necessary to meet the need for affordable housing, particularly for very low and low income earners, in Australia.

3.1.8. Recommendations

The National Plan should:

- Adopt a Housing First approach for people experiencing homelessness.
- Establish ways for agencies to work together to share information on individuals sleeping rough to support best outcomes (known as a By Name List).
- Provide long-term funding for services associated with homelessness, including transitional housing, and services that improve coordination between intersecting systems such as housing, health justice, education and family violence.
- Establish reforms to the income support system to increase Commonwealth Rent Assistance, income support payments and improve government service coordination.

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- Prioritise the unique service and support needs for groups that are over-represented in the homeless population and/or have unique needs: Aboriginal peoples, people experiencing chronic homelessness and sleeping rough, women and young people (aged 15 to 25).
- Establish a dedicated children and youth homelessness plan. This should be underpinned by the voice of children and young people.
- Develop a National Cultural Safety Framework, based on the Victorian Aboriginal Housing and Homelessness Framework, to ensure that homelessness services and housing options respond to cultural needs.
- Ensure that people on temporary visas are able to access homelessness support services, housing pathways and income support payments.
- Establish an ongoing mechanism to consult with people with a lived experience of homelessness to ensure the national housing and homelessness plan is working and supported.

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3.2. Aboriginal Housing

How can governments, across all levels, best work with communities to support better housing outcomes for Aboriginal peoples?

3.2.1. Acknowledgement of displacement and strength

The City of Melbourne acknowledges that Aboriginal peoples were the First Nations peoples of this land and have strived to retain their culture and identity through the period of European colonisation for over 200 years.

We also recognise that European colonisation forced the displacement of many Aboriginal peoples from their traditional lands, including those of the Kulin Nation. Despite the destructive impact of European colonisation, Aboriginal culture has endured and is recognised globally as one of the oldest living cultures.

Aboriginal peoples show enormous resilience and generosity of spirit towards other people with whom their land is now shared. However, the echoes of this displacement are still experienced today and Aboriginal peoples disproportionately experience homelessness and housing insecurity in Australia. Aboriginal peoples continue to experience complex historical disadvantage, including; lower education and training levels, lower incomes and the compounding disadvantage of dispossession of their land.

The City of Melbourne's Community Vision states that:

"Melbourne is an Aboriginal city where we govern with our Traditional Custodians and all have a shared commitment towards treaty, justice and reconciliation with our First Peoples."

Achieving this vision requires the provision of adequate and affordable housing for Aboriginal peoples in Melbourne.

3.2.2. Need for housing for Aboriginal peoples

As a consequence of this ongoing disadvantage and dispossession Aboriginal peoples face severe housing disadvantage. Aboriginal peoples represent 20 per cent of the homeless population in Australia despite only comprising 3.3 per cent of the Australian population. More than 20,000 properties are currently needed across Australia for Aboriginal peoples (Homelessness Australia 2019).

In Victoria, Aboriginal peoples are 14 times more likely to experience homelessness than non-Aboriginal Victorians. More than 4,000 of Victoria's Aboriginal households (1 in 5) have sought social housing.

In Victoria, it is expected that the Aboriginal population will grow from 57,782 in 2016 to 95,149 in 2036 and will require an additional 5,085 Aboriginal Housing units by 2036 (Aboriginal Housing Victoria, 2020).

At the 2021 census, there were 769 Aboriginal people living in the City of Melbourne. This comprises 0.5 per cent of the total population, which is less than the average of Greater Melbourne (0.7 per cent) and Australia (3.3 per cent). Aboriginal peoples make up 5 per cent of the homeless population in Melbourne, a significant over-representation.

In addition to housing stress and homelessness, Aboriginal peoples can experience 'spiritual homelessness', whereby they are separated from family, kinship networks and traditional lands (Tually et al 2022). This can have significant mental health impacts and further exacerbates the impacts of dispossession and disconnection from heritage.

In response to this, City of Melbourne supports a portion of government land being allocated to Aboriginal Housing Organisations, as established in the Victorian Aboriginal Housing and Homelessness Framework. As outlined in the Framework, "as the government allocates surplus land for social housing, a proportion commensurate with Aboriginal population share, i.e 1 per cent, should be allocated to Aboriginal organisations

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to construct social housing units. While a target of 1 per cent equivalent to population share, is well below need, it would provide recognition of Aboriginal self-determination and would be a manageable amount given the current capability and capacity of the Aboriginal housing sector.” (Aboriginal Housing Victoria, 2020, page 94)

Recommendation 12: Ensure that at least 1 per cent of surplus government land is allocated to Aboriginal Housing organisations, in line with Victorian Aboriginal Housing and Homelessness Framework.

3.2.3. A dedicated Housing and Homelessness Plan for Aboriginal peoples

Affordable housing should be developed in partnership with the Aboriginal community to support the specific cultural and kinship needs of Aboriginal households. In Victoria, there is a dedicated, standalone framework for Aboriginal housing, *Mana na woorn tyeen maar takoort: Every Aboriginal Person has a home*. This framework was developed by and for the Aboriginal community, and is an example of self-determination in action.

The complex and unique housing challenges facing Aboriginal peoples require a targeted and culturally safe response, that is underpinned by self-determination. In addition, Aboriginal housing organisations report that the needs of Aboriginal peoples can be overlooked or sidelined in mainstream strategies.

The Victorian framework provides a blueprint for how this could be achieved. Such a plan could include measures that ensure a percentage of all affordable housing is allocated to Aboriginal peoples, and include Cultural Safety Guidelines to ensure appropriate and relevant housing options and culturally appropriate support services are available to Aboriginal peoples.

Recommendation 13: Include a commitment to work directly with and resource Aboriginal housing organisations.

Recommendation 14: develop a dedicated National Housing and Homelessness Plan for Aboriginal peoples.

3.2.4. Recommendations

The National Housing and Homelessness Plan should:

- Ensure that at least 1 per cent of surplus government land is allocated to Aboriginal Housing organisations, in line with Victorian Aboriginal Housing and Homelessness Framework.
- Include a commitment to work directly with and resource Aboriginal housing organisations.
- Develop a dedicated National Housing and Homelessness Plan for Aboriginal peoples.

3.3. Social housing

How can all levels of government, along with housing organisations, institutional investors, not-for-profits, and private industry, improve access to social housing, which includes public housing and community housing?

3.3.1. Underinvestment in social housing

Decades of under-investment in social and affordable housing combined with a growing population, rising housing costs, and the COVID-19 pandemic means there are not enough affordable homes. Only 2.5 per cent of dwellings in Victoria are social and affordable housing. This is the lowest proportion of all states and territories.

Prior to the mid-1990s, the Australian Government played a key role in the delivery of social housing, particularly public housing. The Commonwealth-State Housing Agreement, formed in 1945, saw the construction of 96,000 dwellings over its first 10 years, and accounted for 16 per cent of total dwelling completions between 1945 and 1970 (Pawson et al, 2020).

This contribution had fallen to 3 per cent by the mid-1990s. Since this time, housing costs have increased at a significantly greater rate than wages (discussed in Section 3.4 below). This has resulted in demand for social housing increasing at the same time that supply decreased to its lowest levels in 50 years.

Investment in maintaining and upgrading existing social housing has similarly declined in recent decades, with a 2017 Victorian Auditor General's report indicating substantial improvements to asset management approaches were required.

Research commissioned by the City of Melbourne for our [Affordable Housing Strategy](#) found that in 2016 there was a shortfall of 5,500 affordable homes in our municipality. Without intervention, this shortfall of affordable housing is likely to increase to approximately 23,200 households by 2036.

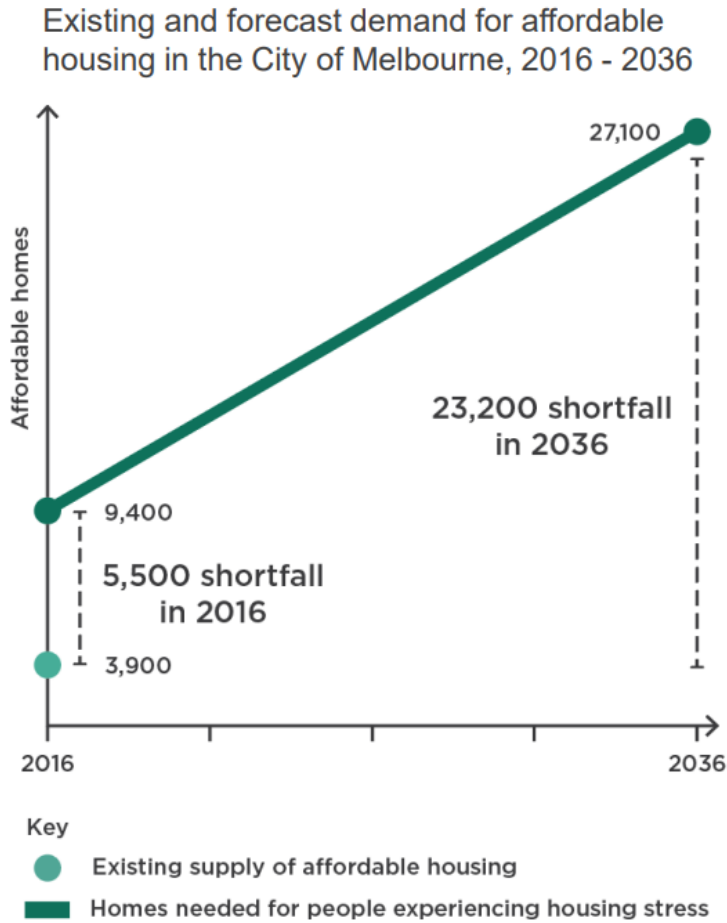
3.3.2. Need for social and affordable housing in City of Melbourne

The population of the City of Melbourne is forecast double between 2021 and 2041, reaching 308,000 people. The number of households is expected to increase by 58 per cent to 135,000 over the same period.

There is a severe shortage of affordable housing within the municipality. As shown in Figure 5 below, the gap between demand and supply of affordable housing is significant, and forecast to increase to 23,200 dwellings by 2036.

Despite continued general housing supply, there is growing demand for housing for very low, low and moderate income earners. This is caused by housing and rent prices increasing faster than wages, in combination with lack of government investment in social housing. Therefore, there needs to be a substantial increase in the supply of affordable housing for very low and low income earners, and not only an increase to general housing supply.

Figure 5: need for affordable housing in City of Melbourne



3.3.3. A significant increase to the HAFF and other programs is required

The recently announced Housing Australia Future Fund (HAFF) is welcome and goes some way to meeting the unmet need for social housing. However, the quantum of the HAFF is not sufficient. An estimated 950,000 social housing dwellings (50,000 per year) are needed across Australia (Martin, 2023) by 2041. The HAFF commits to just 30,000 dwellings over five years, and a further 10,000 dwellings are committed under the Accord. This equates to only 8,000 dwellings per year.

The Australian Government has played a much larger role in funding social housing historically, and must do so again in order to meet demand. In addition, the Australian Government collects 81 per cent of total tax revenue in Australia, and therefore has the greatest capacity to fund social housing.

As noted in Section 2.4 above, for every \$1 invested in social housing, there are \$3 in benefits. This is a greater cost-benefit ratio than most infrastructure projects. Conversely, failure to invest has significant costs. This further strengthens the justification for increasing social housing funding at a federal level.

The HAFF and other programs should be ongoing and substantially increased. They should provide funding to Registered Housing Associations for the provision of community housing, and to state governments for the provision of public housing.

Recommendation 15: Provide ongoing capital and operational funding for Registered Housing Associations to develop housing and build capacity.

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Recommendation 16: Provide substantial ongoing investment to build new public housing.

3.3.4. Private sector should contribute to social and affordable housing supply

The private sector plays a critical role in housing supply, and gains substantial benefits from the development of land for housing. Decisions and investments made by governments create financial value (or 'uplift') for landowners and developers, and some of this value should be shared with the broader community in the form of affordable housing contributions.

The positioning of social and affordable housing as essential infrastructure further supports this position. There are existing frameworks and precedents for contributions to other forms of 'essential' infrastructure, including drainage assets, community facilities, open space, and local road networks. Social and affordable housing is essential to communities in the same way that these other forms of infrastructure are.

An attempt by the Victorian Government in 2022 to introduce a levy on development for the purpose of affordable housing was quickly repealed due to backlash from the property sector. The current framework in Victoria requires any affordable housing contribution to be negotiated on a case-by-case basis, and there are significant challenges in securing any contributions in this context (discussed further in Section 3.5.3 below). The recent Victorian Government Housing Statement seeks to encourage the provision of affordable housing in significant developments through access to a fast track decision making process (discussed further in Section 3.5.4 below). This contribution remains voluntary and can be varied by the Minister for Planning.

The National Housing and Homelessness Plan can establish a clear direction for the private sector and its role in social housing supply. It should encourage states and territories to introduce mandatory controls for affordable housing in the planning system, as discussed in Section 3.5.

3.3.5. Using government land for social and affordable housing

There are opportunities to use government-owned land more efficiently and support the delivery of social and affordable housing. Through the National Housing and Homelessness Plan, the Australian Government should undertake a strategic review of its own land and identify and commit land that is appropriate for the development of affordable housing. Other tiers of government should be encouraged to do the same, noting that in Victoria this is occurring at a state and local level already.

Such a proposal has community support in the City of Melbourne. One third of survey respondents selected 'Make more government land available for affordable housing' (Australian Government and Victorian Government land) as their top advocacy item through community engagement on our Affordable Housing Strategy.

It is important that any redevelopment of existing public housing results in a significant increase in stock. Recent programs in Victoria have seen marginal increases, and in some cases, decreases in overall bedroom numbers. These programs saw the privatisation of high-value, well-located public land. The programs displaced residents, and this displacement can significantly impact the mental and physical health of those affected (Kelly and Porter, 2019).

Additionally, at least 1 per cent of total surplus government land allocated for social housing should be allocated to Aboriginal housing organisations (as discussed in Section 3.2.2 above).

Recommendation 17: Commit to identifying and developing underused Australian Government-owned land that is appropriate for affordable housing.

Recommendation 18: Redevelopment of public housing, including mixed tenure developments, should result in a net increase in public housing units and capacity, and should not be driven solely by financial outcomes.

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Social impacts must be considered, including the need to minimise disruption to and displacement of residents.

Recommendation 19: Explore ways for the Australian Government to directly partner with and fund local government to deliver housing projects.

3.3.6. Ensuring consistency and alignment between funding and local requirements

A specific issue that requires addressing, either through the HAFF, National Plan or the Accord, is the ability for council-owned land to secure federal funding under a leasehold model.

In Victoria, councils are limited by the *Local Government Act* to offering leases of a 50-year maximum term. We have been advised that this lease term does not meet the funding requirements of the HAFF. This may limit the ability of councils to contribute land for social and affordable housing and should be addressed.

It is important that such issues are identified and resolved through the National Plan.

Recommendation 20: Ensure federal funding requirements do not present a barrier to the use of council-owned land for affordable housing, for example, the misalignment between the new Housing Australia Future Fund requirements and the maximum lease term of council land under the Local Government Act 2020 [Vic].

3.3.7. Recommendations

The National Housing and Homelessness Plan should:

- Provide ongoing capital and operational funding for Registered Housing Associations to develop housing and build capacity.
- Provide substantial ongoing investment to build new public housing.
- Commit to identifying and developing underused Australian Government-owned land that is appropriate for affordable housing.
- Redevelopment of public housing, including mixed tenure developments, should result in a net increase in public housing units and capacity, and should not be driven solely by financial outcomes. Social impacts must be considered, including the need to minimise disruption to and displacement of residents.
- Explore ways for the Australian Government to directly partner with and fund local government to deliver housing projects.
- Ensure federal funding requirements do not present a barrier to the use of council-owned land for affordable housing, for example, the misalignment between the new Housing Australia Future Fund requirements and the maximum lease term of council land under the Local Government Act 2020 [Vic].

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3.4. Housing costs, home ownership and private rental

What should governments, private industries, the not-for-profit and community sectors focus on to help improve access to housing and housing affordability in the private market?

3.4.1. Structural affordability challenges

Over the past three decades, house prices have grown at a much faster rate than household incomes. In the three decades to 2020, house prices across Australia tripled, while wages increased by only 50 per cent (Pawson et al, 2020). This problem is exacerbated in capital cities, particularly Sydney and Melbourne.

The increased cost of home ownership has created a structural affordability issue that is worsening over time, impacts on households across the spectrum and particularly impacts those who are young and/or on low incomes. The increased cost of home ownership has resulted in a steady decrease in rates of home ownership in Australia since 1985 (except for those aged over 65) (Pawson et al, 2020). Households are renting for longer, purchasing homes later in life or not at all, and increasingly relying on family wealth to enter the housing market. This places greater stress on the rental market, and impacts lower-income households most prominently. The *Homes Victoria Rental Report: March Quarter 2023* shows that just 0.7 per cent of new lettings in the City of Melbourne are affordable to households on Centrelink incomes.

The situation in the City of Melbourne as at the 2021 Census is shown in Table 1 below. The rate of home ownership in the City of Melbourne is less than half that of Greater Melbourne and Australia, and the number of households spending more than 30 per cent of their income on housing costs is higher.

Table 1: City of Melbourne housing tenure breakdown

	City of Melbourne	Greater Melbourne	Australia
Owned home outright	13.6	29.7	31
Owned home with mortgage	16.4	37.1	35
Rental housing	67.2	30.8	30.6
Rental households spending more than 30 per cent of income on rent	36	30.9	32.2
Households with mortgage spending more than 30 per cent of income on repayments	19.8	16.8	14.5

Source: ABS data

3.4.2. Existing government tax incentives are untargeted and inequitable

Existing Australian Government incentives, particularly negative gearing and capital gains tax concessions, largely increase demand for housing, while doing little to increase supply. These incentives also tend to favour established homeowners and investors and treat housing as an investment rather than shelter.

It has been widely reported that the first homeowners grant has increased the cost of housing thus exacerbating the problem it is intending to solve. Other incentives are not targeted to new dwellings and therefore do not contribute to increasing supply.

Estimates of the cost to government of tax concessions to property investors can be difficult to measure, but in 2022-23, it was estimated that negative gearing and capital gains tax concessions cost the Australian

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Government \$12.7 billion in foregone revenue. This figure is expected to increase to \$20 billion by 2032. Other analysis shows that 56 per cent of negative gearing benefits flow to the top 10 per cent of income earners. These tax incentives are untargeted, inequitable, and increase house prices.

The National Housing and Homelessness Plan should address this inequity and ensure government concessions are targeted towards very low to moderate income earners. A review of the tax incentives and concessions is required. Such a review should ensure that any concessions are targeted (for example, they help to increase supply by applying only to new dwellings) and equitable (for example, they are directed to those in need of housing assistance).

Recommendation 21: Review and reform tax and regulatory structures to address housing inequity. The holistic review and reforms should seek to:

- *Reduce land and housing speculation and redistribute tax incentives to improve the supply of quality housing for owner-occupiers.*
- *Increase diversity in the housing market by encouraging a range of public, not-for-profit and other alternative delivery models.*
- *Consider and evaluate options to encourage institutional investment (e.g. superannuation) in affordable housing.*

3.4.3. The need for improved outcomes for renters

Despite the significant incentives and subsidies flowing to private landlords, the private rental market in Australia is increasingly unaffordable. The City of Melbourne has a large proportion of renters (67 per cent of all households), and it is estimated that 36 per cent of these households are in housing stress. Rents continue to increase at a greater rate than wages. Rents have increased by 15.7% over the last 12 months (DFFH, 2023), while wages have grown by only 3.6% (ABS, 2023).

In Victoria, recent reforms to the Residential Tenancies Act aim to improve standards for renters. These reforms included establishing minimum standards, enabling renters to make modifications to dwellings, and removing no-fault evictions. Consideration should be given to requiring other states to adopt similar legislation to that in Victoria to improve outcomes for renters. However, these reforms do not address the lack of affordability within the private rental market.

3.4.4. The emerging build to rent sector requires regulation

The build to rent (BTR) sector is an emerging typology in Australia. BTR refers to development that is purpose-built for rental accommodation and managed by a professional landlord. Developments are usually high-density and in well-located areas, and often include shared amenities and facilities such as workspaces, gyms, or meeting spaces. Melbourne is the BTR capital of Australia, with 59 per cent of the national pipeline planned for the city (JLL, 2022).

The benefits of BTR include potential for long term leases, higher quality-built form outcomes, consistency in tenancy management, and on-site amenities.

BTR is often promoted as a solution to the rental crisis. In the current policy environment this is unlikely to be the case. BTR developments within the City of Melbourne generally advertise higher rents than the broader market and are advertised as “luxury” housing products. Council has faced significant opposition from landowners to the delivery of affordable housing within BTR, due to the purported challenges in managing different tenure types and the desire for maintenance and management to be under the remit of one organisation.

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BTR developments benefit from significant tax incentives at both a state and federal level. In Victoria, the state level incentives are dependent upon providers offering all tenants three-year leases. Subject to appropriate implementation measures, this ensures BTR provides longer-term rental options and could be considered in other states. Consideration could also be given to requiring particular outcomes be delivered in order for projects to receive federal incentives (for example, a portion of affordable housing could be required in order to receive tax concessions).

At a local level in Victoria, BTR developments do not trigger contributions to open space, providing a further, significant concession to landowners. In this instance, demand for open space is increased by new BTR residents, but there is no contribution to Council to improve or upgrade open space infrastructure.

BTR developments benefit from significant concessions but do not generally provide affordable housing outcomes, or make sufficient contributions to open space levies. The regulation of the sector requires review to ensure that these developments are providing community benefit that is commensurate with the incentives and subsidies they are afforded.

Currently, there is no formal definition of build to rent developments in Victorian planning schemes. Unlike regular dwellings, residential hotels or residential villages, this means that the Victorian Government cannot currently make planning policy that directly applies to build-to-rent developments – for example, to prevent their sale and immediate subdivision.

The City of Melbourne proposes a BTR definition be developed to address this. This would allow state and local governments to make policies specific to build-to-rent developments (for example, to require a percentage of affordable housing in certain BTR developments), and would provide greater security of tenure for renters. A definition of BTR has already been introduced in New South Wales. This has allowed the New South Wales Government to apply a range of controls to BTR housing, including to prevent its subdivision for 15 years, and to introduce a state significant development pathway for certain larger BTR projects.

Recommendation 22: Establish a definition of Build to Rent housing or encourage the establishment of such a definition by State Governments to link the land use and this housing delivery model with appropriate public policy and regulation.

3.4.5. Regulating short stay accommodation

As acknowledged in the Issues Paper, the increased prevalence of short-term rental accommodation (STRA) has impacted on the availability of long-term rental housing in some areas. This is a significant issue in the City of Melbourne, where an estimated 4,100 dwellings are STRA. These are dwellings that might otherwise be available on the private rental market.

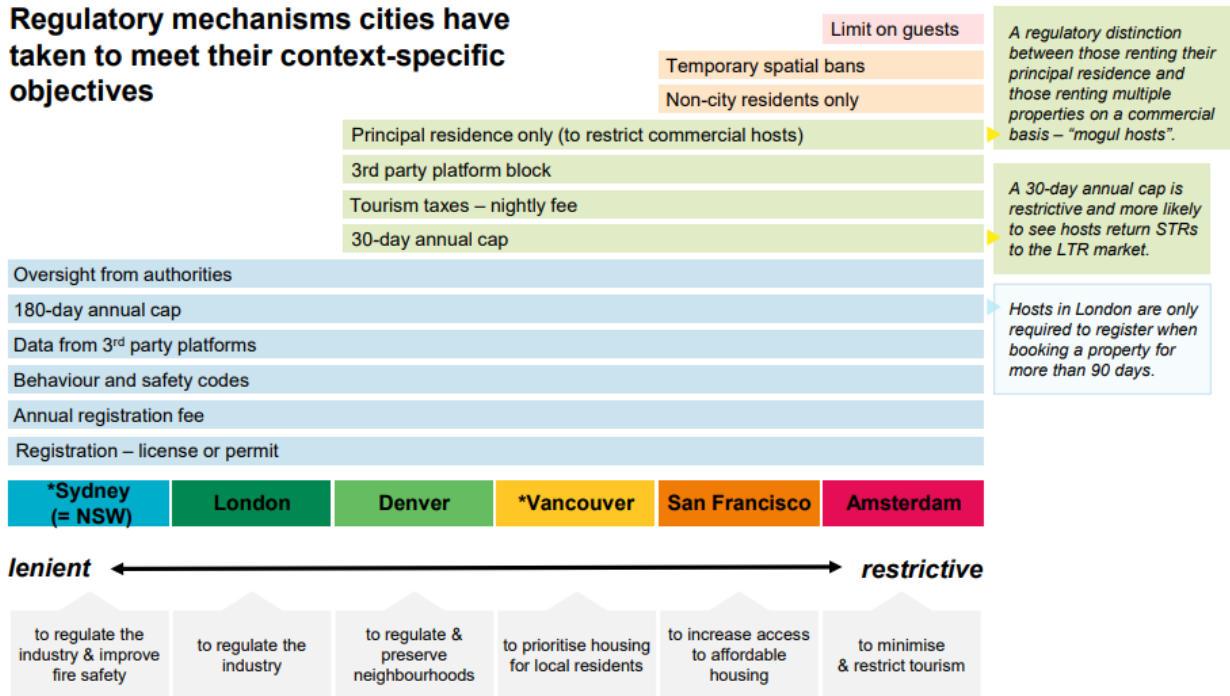
To address this, Council recently established a policy position and work to track and regulate the STRA industry. Council is seeking to introduce a local law that would introduce a registration fee and place a 180 day-per-year cap on properties. Data will be collected to test the policy aspiration.

STRA has emerged rapidly and is aided by technology platforms. The objectives of regulating STR include protection of rental housing, prevention of commercial STRs, address nuisance and ensure safety, and to regulate and monitor the industry.

The approach taken by City of Melbourne is lenient when considered in a global context. Figure 6 below shows the various approaches taken by governments around the world in response to this issue (further information available [here](#)) Singapore has introduced a total ban on STRA.

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Figure 6: spectrum of STRA intervention in different countries



Source: City of Melbourne, 2023

The Victorian Government has recently introduced a 7.5 per cent levy on STRA through its recent Housing Statement. While this will raise much-needed funds for Homes Victoria, it does not restrict the days per year that a property can be rented for. This means that such properties could be less likely to be added to the long term rental market.

The impact of STRA varies around Australia, which means local governments need to be empowered to impose regulations that respond to local issues and needs. In some areas, STRA does not exist at a scale that is problematic, while in others STRA may provide tourism benefits that outweigh housing impacts. Conversely, in the City of Melbourne (and other locations), STRA exists in significant numbers and has impacts on access to long-term rental housing as well as neighbourhood amenity. In our municipality, 88 per cent of STRA properties are one and two bedroom dwellings that could contribute to supply of private housing, either for rent or purchase. Central city, inner-urban and rural jurisdictions require different regulatory models and policy levers to shift short-term rental accommodation into long-term homes.

This means that, while State and Federal Government can play a role in regulating the STRA industry, it is particularly essential that local governments are supported to play a role in the regulation of STRAs in their municipalities.

Recommendation 23: Address the impact of the Short Term Rental Accommodation (STRA) sector, including by enabling local governments to introduce regulations that respond to unique STRA operating environments in their local communities. .

3.4.6. Recommendations

SUBMISSION TO NATIONAL HOUSING AND HOMELESSNESS PLAN

The National Housing and Homelessness Plan should:

- Review and reform of tax and regulatory structures to address housing inequity. The holistic review and reforms should seek to:
 - Reduce land and housing speculation and redistribute tax incentives to improve the supply of quality housing for owner-occupiers.
 - Increase diversity in the housing market by encouraging a range of public, not-for-profit and other alternative delivery models.
 - Consider and evaluate options to encourage institutional investment (e.g. superannuation) in affordable housing.
- Establish a definition of Build to Rent housing or encourage the establishment of such a definition by State Governments to link the land use and this housing delivery model with appropriate public policy and regulation.
- Address the impact of the Short Term Rental Accommodation (STRA) sector, including by enabling local governments to introduce regulations that respond to unique STRA operating environments in their local communities..

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3.5. The importance of planning, zoning and development

How could governments work better with industry, community services and other organisations to improve housing outcomes for all Australians?

3.5.1. The contested role of land use planning

Planning seeks to ensure that land use and built form outcomes deliver a net community benefit. It provides guidance to landowners and communities as to what is an appropriate outcome in a particular location. Done well, planning creates transparency in decision-making and enables community participation in land use and development, and plays an important role in public education. It balances competing objectives for the use of land, for example between heritage preservation and urban intensification.

In addition to balancing competing objectives, planning balances the competing interests of stakeholders, including developers, statutory authorities, neighbouring property owners and the broader community. Different stakeholders are affected by planning decisions differently, and as such their views of the planning system can be opposed to one another (Pawson et al, 2020). The same planning decision may be viewed as overly lenient by some (by allowing too much development) and overly restrictive by others (by unduly restricting development). Developers may seek certainty from the planning system at certain points, and flexibility at others.

It follows that public discussions on land use planning reflect this contention. Land use planning has received significant attention in housing supply discussions, being frequently criticised as adding unnecessary time delays, costs and requirements upon development. In such discussions, a solution to the housing crisis is to “reduce red tape”² and speed up approval processes for new dwellings. It is asserted this would increase supply and reduce housing costs. Such criticisms and assertions need to be assessed against the evidence and data available.

While planning plays an important role in facilitating housing supply, alone it is neither the cause of nor solution to the housing crisis. Newly built homes (those impacted by the current planning system) account for around 2 per cent of homes entering the Australian housing market in any given year (Pawson et al, 2020). Even if new supply were to double, it is unlikely that the cost of housing in the broader market would decrease. A 2005 estimate of the UK housing market indicated that if supply doubled, the *increase* to house prices over the long term would be 1.1 per cent, rather than 2.7 per cent (Pawson et al, 2020).

In developing the National Housing and Homelessness Plan, the Australian Government should acknowledge and account for the vested stakeholder interests and ensure any recommendations in relation to the planning system are balanced, evidence based and focus on increasing the supply of social and affordable housing.

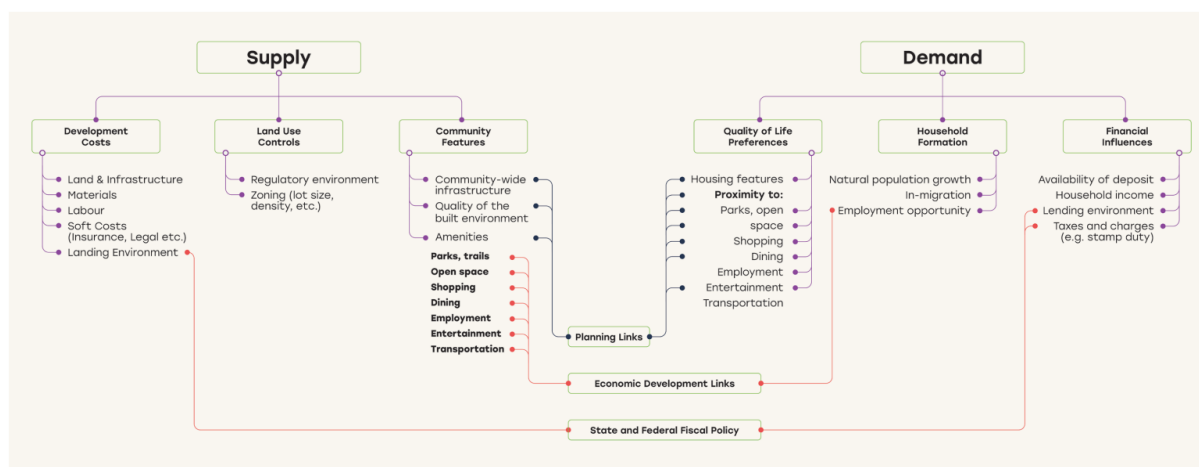
3.5.2. Market conditions drive housing supply

Planning permission does not equate to dwelling supply, as other factors must also support the delivery of development at a particular point in time, most notably, market conditions. The supply of housing is influenced by many factors, including market conditions, supply chains, construction costs, labour supply, levies and charges, and financial settings (refer Figure 7 below). The Issues Paper focuses on planning, zoning, and development, while failing to adequately acknowledge these broader influences and the primary motivation of developers to deliver a profit on any given project.

² Noting that the Victorian Government established the “Red Tape Unit” and appointed a “Red Tape Commissioner” in 2019.

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Figure 7: factors influencing housing supply and demand



Source: SGS Economics and Planning 2023

In order for new dwelling supply to increase overall market affordability, developers would need to voluntarily increase supply to the extent that the value of their product is reduced. Given developers carry significant risk and are usually required to demonstrate a profit margin of 15-20 per cent to secure finance, any decision to actively reduce the value of their product could increase project risk and decrease profit margins. Some developers are publicly listed companies and therefore seek to ensure returns to shareholders are protected and maximised.

New dwellings will be brought to market by a developer when it is profitable for them to do so. A study of master planned communities in 2022 demonstrated that developers supplied an average of 3.4 per cent of approved dwellings each year, and after 9.5 years held 76 per cent of their land bank vacant. One developer reported to investors that they were able to sell more dwellings but were unwilling to do so at a reduced price, instead waiting for market conditions to improve (Fitzgerald, 2022).

In the City of Melbourne, there are an estimated 20,000 dwellings with planning approval that have not been constructed. This is almost half of the dwellings required to accommodate the City's population growth to 2041. The Municipal Association of Victoria (MAV) has reported that across Victoria, there are 120,000 approved dwellings that have not been constructed.

The assertion that making planning permit processes quicker or easier will improve housing affordability does not have a strong evidence base.

3.5.3. Challenges in securing affordable housing through the planning system

The planning system has a role in facilitating the supply of social and affordable housing and can be used to require contributions from developers to such housing. This is frequently referred to as "inclusionary zoning" and exists in many jurisdictions.

In Victoria, facilitating the supply of affordable housing was made an objective of planning in 2018. This was part of a suite of changes designed to encourage voluntary contributions to affordable housing from private developers. Despite these, the planning system has failed to secure significant contributions to affordable housing, and the voluntary framework receives criticism from councils and developers alike.

In a recent example from the City of Whittlesea, Council advocated for inclusion of an affordable housing target within the Precinct Structure Plan (PSP) for Shenstone Park. This was not supported by the independent panel, and instead a guideline to encourage the provision of affordable housing was included.

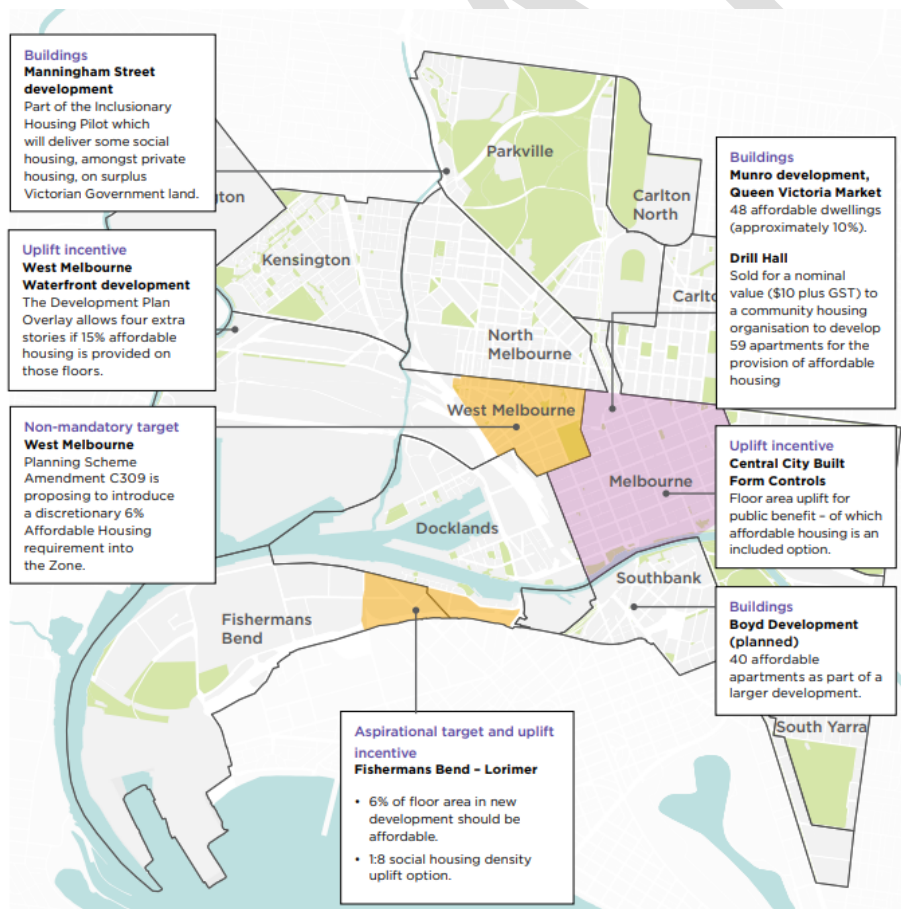
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This lacked detail and Whittlesea City Council raised that there could be challenges in implementation. At planning permit stage, Whittlesea City Council included a 10 per cent affordable housing requirement, which the developer originally agreed to but then walked away from. The developer appealed the decision at VCAT, where it was struck out. The VCAT decision (960 Blueways Development Pty Ltd v Whittlesea CC [2023] VCAT 179) indicated that the lack of an objective/requirement in the PSP undermined the policy support for an affordable housing requirement. In this example, at both stages of the planning process (strategic and statutory), Whittlesea City Council's attempts to have a clear affordable housing outcome were not supported.

Even where there is agreement between developers and councils (or another responsible authority), there is reluctance from the Victorian Government to impose requirements in the planning scheme. This results in a lack of clarity around the contribution, and confusion for all parties in implementation. Council understands that developers seek certainty in requirements as early as possible, and the ambiguity surrounding voluntary contributions causes unnecessary complexity.

The City of Melbourne has had some success in introducing incentives and objectives for affordable housing in the planning scheme, as shown in Figure 8 below. These controls are not mandatory and generally provide incentives in exchange for affordable housing provision. Council has seen mixed success in the update of these controls by developers. In general, Council's experience is that where there is greater certainty in the planning controls, better outcomes are delivered. A mandatory tool, such as inclusionary zoning, would resolve these inconsistent outcomes.

Figure 8: affordable housing controls in the City of Melbourne



Source: City of Melbourne, 2020

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In the planning controls for the Arden urban renewal area, Council sought the introduction of mandatory controls for affordable housing. The advisory committee appointed to review the proposed controls supported this measure, subject to establishing the legal power to do so under relevant legislation. Mandatory controls were not supported by the Minister for Planning and an 'aspirational' target was included. This was an opportunity to secure a significant contribution to affordable housing that was not implemented by the Victorian Government.

In another example, the Victorian Government has sought to trial inclusionary zoning through a program called the "Inclusionary Housing Pilot". The pilot identified six government owned sites for release to the private sector, on the condition that 100 affordable homes being delivered across the sites. Despite the objective of the pilot being to test an inclusionary approach, as far as Council is aware, the planning controls for the sites do not require the provision of affordable housing. No information has been provided regarding the quantum of affordable housing being delivered on each site, or how the findings of the pilot could be applied more broadly. In addition, the planning process commenced in 2017, with construction due to commence in 2018. The sites are still not developed.

In summary, the efforts of councils to secure affordable housing through the planning system are stymied by the voluntary framework and lack of support from the Victorian Government.

Effective use of the planning system for affordable housing delivery also requires consistent definitions of key terms. The term "affordable housing" has many different interpretations, and meanings vary across jurisdictions. In Victoria, affordable housing and social housing are defined under legislation. There are emerging typologies and concepts (such as BTR and Key Worker Housing) that are not defined within the planning system, which makes their implementation challenging. Providing consistency of key terms would enable more effective implementation and also ensure that housing outcomes are targeted based on household incomes.

Recommendation 24: Require State Governments to introduce mandatory inclusionary zoning to facilitate affordable housing contributions from private development.

Recommendation 25: Ensure policy consistency in definitions of social, affordable and key worker housing in planning schemes to ensure outcomes delivered are targeted to those most in need on very low to moderate incomes.

3.5.4. Areas for improvement

Building on the above, areas for improvement in the planning system include mandatory inclusionary zoning, fast-tracking affordable housing without compromising design outcomes and proper process, and timely consideration of planning scheme amendments by the Victorian Government. These are discussed below.

The current voluntary framework for affordable housing contributions is not delivering the housing required. The City of Melbourne's position is that Mandatory Inclusionary Zoning should be introduced. Our suggested approach is as follows:

- A minimum percentage of affordable housing should be introduced across all of Victoria, with consideration given to mandate higher percentages for urban renewal areas.
- Phased introduction to allow the property market to adjust and incrementally increase over time.
- Applied to multiple land use types including residential, commercial and some industrial land. Percentages may vary based on land use, reflecting the notion that affordable housing is essential infrastructure and therefore all land uses should contribute to its provision.

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- Calculated as an equivalent percentage of net developable floor area.
- Transferred at minimal cost to a registered housing organisation.
- For dwellings to be designed to be indistinguishable from market housing.

In relation to fast-tracking affordable housing proposals, we note the Victorian Government's recent Housing Statement introduces significant reforms, including 'fast track' processes for applications that deliver 10 per cent affordable housing and are of \$50 million or greater in value. While Council welcomes efforts to improve housing affordability, the broad removal of councils and communities from planning decision making threatens the integrity of the planning system and could result in worse outcomes.

The new particular provision introduced to all planning schemes by the Victorian Government on 20 September 2023, "significant residential development with affordable housing", makes the Victorian Planning Minister the decision-maker over planning applications and also makes otherwise mandatory built form requirements discretionary. Controls like this, that are applied across a metropolitan area, disproportionately capture a large proportion of planning applications in the central compared to other inner-urban suburbs, due to the higher cost and significantly greater scale of building in the central city.

These controls may have the effect of removing the limit on the potential yield of the site, which could have implications for the price of land. These implications, and the extent to which they may overshadow any benefit generated through the 10 per cent affordable homes requirement, are unknown, given the State made the changes without publishing adequate strategic justification or economic modelling to support those changes. As such, the effect of the new particular provision on housing affordability and land price should be measured and analysed, in order that government, industry and the public may be confident that the provisions are fulfilling their objective.

The new particular provision also transfers decision-making authority from a (usually) public forum (the Council chamber) to a private forum (the Minister's office). The experience of the City of Melbourne is that the quality of planning applications, and the public benefits associated with those applications, tend to be substantially higher when the application is subjected to a public process with the prospect of scrutiny by the media. It is entirely possible for 'fast-track planning pathways' to be created without losing public scrutiny over the making of the decision and the benefits that come from that public scrutiny, but the "significant residential development with affordable housing" falls short of that standard.

Local government is the closest tier of government to the community and has the greatest capacity to consider local planning applications and ensure community expectations, aspirations and values are incorporated into how the built environment is shaped. Local governments are also best equipped to generate community trust and understanding of the objectives of federal and state housing strategies as they apply to local communities. As such, the City of Melbourne believes that local governments are best equipped to assess and determine planning permit applications. As noted above, the Victorian Government is increasingly intervening in local planning matters. This intervention must not be done at the expense of local government input, community input and transparent decision-making. Local governments must retain a formal role in decision-making in these circumstances.

The City of Melbourne also acknowledges, based on our experience as a capital city council, the unique context, economic importance and significant development opportunities in the central city and other hyper-dense locations. Developments in these locations can be of a scale and impact that is of state and/or national

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importance, while also significantly impacting local neighbourhoods. Given this importance and impact, it is critical that local governments be involved in significant planning decisions.

The City of Melbourne supports fast tracking permit applications for developments that provide at least 25 per cent affordable housing, subject to minimum standards of transparency and accountability over the making of those decisions, and stands ready and able to process such applications swiftly and efficiently.

Improvements to the planning system need to consider both the local and state government level. The City of Melbourne, and other councils, experiences significant delays in the approval of planning scheme amendments (requests to amend existing planning controls) by the Minister for Planning. One proposal, the planning scheme amendment that implements the Macaulay Structure Plan, has been sitting with the Minister for over 12 months. The changes proposed under this planning scheme amendment would unlock significant capacity for new housing and, if supported, increase affordable housing supply.

Recommendation 26: Support and encourage fast-track processes for developments that provide more than 25 per cent affordable housing.

Recommendation 27: Ensure local governments remain the primary decision maker in local planning matters. Where the Victorian or Australian Government is decision maker, ensure meaningful input from local governments and communities, as well as adherence to agreed minimum standards of consultation and transparency in decision-making. This is particularly important where the scale and impact of development is of local and state/national significance.

3.5.5. Recommendations

The National Housing and Homelessness Plan should:

- Require State Governments to introduce mandatory inclusionary zoning to facilitate affordable housing contributions from private development.
- Support and encourage fast-track processes for developments that provide more than 25 per cent affordable housing.
- Ensure local governments remain the primary decision maker in local planning matters. Where the Victorian or Australian Government is decision maker, ensure meaningful input from local governments and communities, as well as adherence to minimum agreed standards of consultation and transparency in decision-making. This is particularly important where the scale and impact of development is of local and state/national significance.
- Ensure policy consistency in definitions of social, affordable and key worker housing in planning schemes to ensure outcomes delivered are targeted to those most in need on very low to moderate incomes.

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3.6. The impact of climate change

How can governments and the private and community sectors, help to improve sustainable housing and better prepare housing for the effects of climate change?

3.6.1. Climate and biodiversity emergency

City of Melbourne declared a climate and biodiversity emergency in 2019. In doing so, we joined around 1400 jurisdictions across 27 countries – a local and international movement recognising that climate change poses serious risks to the people of Melbourne and Australia. The emergency acknowledges that temperature rise above 1.5°C will lead to major and irreversible damage to ecosystems. Up to one million species face extinction.

From the banks of the Yarra to the trees that line our streets and world-famous parks, Melbourne's unique environment and coveted liveability are at risk from the effects of the climate change. In fact, we know climate change is [already impacting Melbourne](#) in many ways.

We know that immediate action to reduce emissions and adapt to the impacts is needed now if Melbourne is to remain a liveable city for future generations to visit, work and live in.

Council is taking bold action in response to the climate and biodiversity emergency. We are reducing emissions in our own operations through our [Emissions Reduction Plan](#) and more broadly through our [Climate Change Mitigation Strategy to 2050](#). We have undertaken research and implemented actions to better understand and prepare for local impacts of climate change, as outlined in our [Climate Change Adaptation Strategy](#).

3.6.2. Improving the sustainability of new housing stock

As acknowledged in the Issues Paper, the primary mechanism for controlling construction standards is the National Construction Code (NCC). Changes to energy efficiency requirements in the NCC introduced in 2022 are welcome but do not go far enough, particularly for apartments. CSIRO has shown that most Victorian apartments are already meeting the 7 star NatHERS requirement, while around 30 per cent are rated 7.5 stars.

The NCC should require a minimum 7.5 star rating and test the viability of 8 stars to provide better performing buildings, that are more comfortable, lower cost operationally, that can become zero net energy and are future proofed for changes in climate.

New state and local planning provisions are also necessary to ensure that new developments are designed with sustainability in mind. The City of Melbourne has recently exhibited Planning Scheme Amendment C376 - Sustainable Building Design, which proposes changes to the planning rules to ensure future development achieves best practice in Environmentally Sustainable Design including increased energy efficiency and greening of buildings. The Amendment proposes performance standards for energy, waste, water, transport, urban heat and urban ecology. Introducing these new regulations at the planning stage will ensure all new buildings in Melbourne are designed from the get-go to meet, and exceed NCC requirements, and avoid costly non-compliances at the building stage. To this end, the City of Melbourne would welcome Federal Government support for municipalities to exceed NCC requirements where it is practical and desirable to innovate ahead of the national standards. Our nation's state capitals are the perfect places to do so.

Recommendation 28: strengthen energy efficiency requirements in the NCC, and establish a target for zero-emissions, climate-adapted new buildings and precincts by 2030, while enabling other levels of government to develop policies and regulations that address this target.

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3.6.3. Improving the sustainability of existing housing stock

Council welcomes the announcement of the Household Energy Upgrades Fund, and the \$300 million allocated to social housing. While significant, more investment is required to retrofit existing dwellings, particularly for low to moderate income households. Extreme weather events, particularly heat waves, can have significant health impacts on households.

Low income households are particularly susceptible to the impacts of extreme weather events, and may face limitations on being able to heat and cool their homes. Much of the public housing stock around the country is ageing, poorly maintained and does not meet contemporary energy efficiency standards. The Victorian Government requires funding to retrofit the social housing stock in our municipality to upgrade insulation, glazing and facades. While a commitment has been made to roll out air-conditioning to at risk housing, the costs of running air-conditioning in poorly functioning buildings is likely to be a barrier to those who cannot afford the running costs. International examples of retrofits of social housing towers should be used to guide best practice, such in [Bordeaux](#).

Tax concessions, disclosure regulation and incentives could be considered to encourage homeowners, particularly investors, to retrofit existing dwellings. Such measures are particularly important given the increasing prominence of rental households, the restrictions on renters making modifications to dwellings, and the separation of incentives between landlords and renters (i.e. the landlord has control of the dwelling but the renter incurs the energy costs).

The City of Melbourne has recently endorsed a [Retrofit Melbourne Plan](#), which outlines a series of initiatives to encourage the retrofit of central city commercial buildings for sustainability and energy-efficiency. Such a program could be adapted to residential buildings.

Recommendation 29: provide consistent long-term increased funding to retrofit and upgrade social and affordable housing stock.

3.6.4. Resilience in extreme weather

Homeless populations, particularly those that are rough sleeping, are particularly vulnerable to extreme weather events. City of Melbourne provides tailored support and respite options for people experiencing primary homelessness during extreme weather.

The National Housing and Homelessness Plan should acknowledge and address the relationship between homelessness and susceptibility to heat vulnerability, and the importance of resilient cities. Such an approach influences policy and programs beyond the housing and homelessness sector.

Recommendation 30: fund local infrastructure and nature-based solutions required for resilience to extreme weather and community led resilience initiatives with a focus on vulnerable communities including those experiencing homelessness.

3.6.5. Recommendations

The National Housing and Homelessness Plan should:

- Strengthen energy efficiency requirements in the National Construction Code, and establish a target for zero-emissions, climate-adapted new buildings and precincts by 2030, while enabling other levels of government to develop policies and regulations that address this target.
- Provide increased funding for the retrofit and upgrade of social and affordable housing for heat and health.

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- Fund local infrastructure and nature-based solutions required for resilience to extreme weather and community led resilience initiatives with a focus on vulnerable communities including those experiencing homelessness.

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APPENDIX A – CITY OF MELBOURNE RESPONSE TO HOMELESSNESS

The City of Melbourne has invested in a range of initiatives to support individuals experiencing homelessness in our city and to resource pathways out of homelessness.

Advocacy

Homelessness Advisory Committee

City of Melbourne's Homelessness Advisory Committee brings together people with broad and diverse knowledge and experience of issues relating to homelessness. It provides an essential point of contact between the Council and people with personal and professional experience and knowledge of homelessness.

Council of Capital City Lord Mayors

Homes Melbourne chairs the National Housing and Homelessness Working Group for the Council of Capital City Lord Mayors. This group leads the development of the housing and homelessness action plan and advocacy agenda and provides expert advice to capital city CEOs and Lord Mayors.

Research and engagement

Homes Melbourne leads an international network of cities committed to sharing knowledge and approaches to addressing homelessness and undertakes research projects on emerging issues and trends in the city.

Outreach

Operation Protocol

Operation Protocol is a partnership outreach program between City of Melbourne, Victoria Police and the Salvation Army. It aims to balance supporting people experiencing homelessness while maintaining safety and amenity in the city.

Park rangers

As well as keeping parks and public spaces clean and maintained, the park rangers have adopted a welfare role, referring people sleeping rough to outreach and homelessness services.

Daily Support Team

The daily support team works with people sleeping rough through referrals to services providing coordinated housing and health intervention. We are the first council in Victoria to have an in-house assertive outreach team.

Support and partnerships

Melbourne Service Coordination Project

The Melbourne Service Coordination Project, in partnership with Homes Victoria, brings together 17 agencies working with people sleeping rough in the CBD. The project provides a platform that helps achieve four outcomes to reduce homelessness: coordinated service delivery, information sharing, housing outcomes and systems-level advocacy. It provides a tailored response for people experiencing homelessness.

By Name List

City of Melbourne and Launch Housing lead the By Name List, which gathers data about homelessness in the municipality. The By Name List is the most accurate, complete and timely list possible of all individuals experiencing rough sleeping in the City of Melbourne. It is an efficient method for monitoring outcomes for people experiencing rough sleeping homelessness. The support services involved in the Service Coordination Project add consenting people to the By Name List and link people to support and provide pathways out of homelessness.

Library Social Worker

In an Australian-first, our dedicated Library Social Worker supports people experiencing homelessness and other complex needs in the municipality. Working across the six City of Melbourne libraries, the Library Social Worker helps library staff understand and respond to homelessness and work with people with multiple and complex needs.

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The Helping Out Guide

We publish and distribute the annual Helping Out guide, which provides a comprehensive list of free and low-cost services from organisations in the central city and surrounding suburbs.

Homelessness Support Hubs

This pilot examines homelessness support hub sites for people to access essential support services, including food, showers, lockers, information, housing and homelessness advice, and improved access to specialist homelessness services within the CBD.

Support for grassroots organisations

Many informal, grassroots organisations operating in Melbourne provide mobile support services to people sleeping rough or experiencing homelessness and poverty, including meals, clothing, bedding, shower and laundry facilities. We provide these groups with training and resources to provide the best outcomes for the people they support.

Community grants

We provide annual and two-year grants to fund community connection, social inclusion, access and participation for residents.

Extreme weather planning

Our program provides tailored support and respite options to people experiencing primary homelessness during extreme weather.

Funding

We contract the following organisations to prevent homelessness:

- The Salvation Army Melbourne Project 614 supplies meals, clothing, and counselling to support people at risk of homelessness.
- Melbourne City Mission's Frontyard Youth Services provides emergency accommodation, case management and support for young people experiencing homelessness.
- Cohealth Central City Community Health is a service for people experiencing homelessness. It provides dietitian services, drug and alcohol counselling, allied health, and mental health services. It is a unique service and one of the only community health services dedicated to helping people experiencing homelessness.
- Justice Connect's Women's Homelessness Prevention Project keeps women and children safely housed through integrated legal and social work assistance. It is the only service of its type in Victoria and successfully prevents and reduces housing insecurity.

Housing

Make Room

Make Room is a unique partnership between City of Melbourne, the Victorian Government, housing providers, and corporate and philanthropic organisations. We are converting a Council-owned building at 602 Little Bourke Street – valued at \$12 million – into specialist supported accommodation for people experiencing homelessness and sleeping rough. Unison Housing, a registered community housing provider, is refurbishing the property, including up to 50 studio apartments, living areas, wraparound support, and a social enterprise. Residents will stay for up to 12 months or until they are connected with long-term housing.

Ending homelessness targets

Our Council Plan 2021–25 commits City of Melbourne to reduce economic and social inequality by ensuring universal access to housing, core services and information. It includes the following homelessness targets:

- The number of people sleeping rough who have not been offered accommodation. Target: zero.
- The number of people supported through a range of accommodation, including long-term supportive housing and affordable housing. Target: 500 (by 2025).

Training and inclusion

Connect Respect training

This free online training program supports businesses to build their understanding and support their response to homelessness in the city. We developed Connect Respect with the Council to Homeless Persons and local

businesses to address business concerns about the impact of rough sleeping on their operations and the safety of staff and customers.

Voice of people with lived experience

Consumer participation is a fundamental component of our homelessness response. In partnership with Council to Homeless Persons' Peer Education and Support Program, we ensure that people with a lived experience of homelessness meaningfully inform the development of policies and initiatives that impact the lives of people without a home.

Cultural safety guidelines

We are developing cultural safety guidelines to inform housing projects. They will support our housing projects to be culturally safe places, with strategic design considerations underpinned by Aboriginal perspectives and the opportunity to celebrate culture and acknowledge the country we are building on.

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APPENDIX B – CITY OF MELBOURNE AFFORDABLE HOUSING INITIATIVES

City of Melbourne initiatives

Affordable Housing Strategy 2020-2030

The strategy has five priorities with a set of corresponding actions focusing on what the City of Melbourne can do to address the affordable housing crisis. These priorities are to:

- Deliver more affordable rental housing on City of Melbourne-owned land
- Advocate for increased investment and systemic change for better housing outcomes
- Facilitate more affordable rental housing through the planning system
- Partner with governments, industry, peak bodies and the community to increase affordable rental housing
- Respond to the COVID-19 crisis with affordable rental housing

Elizabeth Street Common Ground

Over the last decade the City of Melbourne has worked with organisations such as Launch Housing to establish [Elizabeth Street Common Ground](#). Common Ground provides permanent, affordable, high-quality housing to 65 people with complex needs who have been chronically homeless, many for more than 10 years. An additional 66 apartments exist for low income workers and students.

Drill Hall

In 2001 we transferred our ownership of the Drill Hall building in Victoria Street, Melbourne, to Housing Choices Australia. This allowed 59 housing units to be built for low-income, vulnerable and marginalised people. The City of Melbourne supports the [Housing First](#) approach. We know that getting people into permanent housing with accompanying support services is the best way to reduce homelessness.

Munro Development

The Munro development is expected to deliver an estimated \$70 million public benefit to the growing city north precinct, in one of Australia's most sustainable mixed use developments.

In December 2021, the Munro development waved hello to residents from near and far, filling spots in 48 affordable apartments that are owned and operated by Housing Choices Australia. An additional six apartments were also handed over to the Transport Accident Commission for clients with special needs.

Boyd Development

In 2019, we transferred ownership of our land at 132 Kavenagh Street, Southbank to PDG to deliver a mixed use development on the site. It will deliver 40 affordable homes in addition to 1000

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square metres of community facilities, retail and private dwellings. The site was the former location of the J H Boyd Girls School and was purchased by the City of Melbourne in 2007.

Queen Victoria Market Southern Site

City of Melbourne has partnered with Lendlease to develop the Southern Precinct. This is the final component in the Queen Victoria Market Precinct Renewal program and part of the formal agreement with the Victorian Government to support the renewal of the market precinct.

Subject to heritage and planning approvals, Gurrova Place will deliver three new buildings along Franklin Street.

The buildings will include build-to-rent apartments and 15 per cent affordable housing, student accommodation, a landmark office space and world-class retail – all connected to the market through the restored Franklin Street stores and Market Square.

Exploring the use of Council land at 44-60 Curzon Street, North Melbourne

Council have identified the open air car park at 44-60 Curzon Street in North Melbourne as a potential site for an affordable housing project. Community engagement on the proposal was undertaken in mid-2022, and site investigations are currently underway.

Key Worker Housing Definition

In 2023, City of Melbourne approved a draft definition of key worker housing, in response to the policy gap surrounding this concept. It will be used inform voluntary negotiations with developers and advocacy to Victorian and Australian Government. The definition is currently being tested with key stakeholders.

The draft definition is:

“Affordable rental housing that is appropriate for people who work within the City of Melbourne, who require a physical presence to perform their work, and whose household earns very low, low or moderate incomes. The housing must be allocated and monitored by a Registered Housing Agency.”

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