



28 March 2025

The Legislative Council Legal and Social Issues Committee
Inquiry into the redevelopment of Melbourne's public housing towers
Parliament House, Spring Street
EAST MELBOURNE VIC 3002

Dear Committee Chair,

Enquiry into the redevelopment of Melbourne's public housing towers – Council officer submission

Thank you for providing the opportunity to submit to the 'Inquiry into the redevelopment of Melbourne's public housing towers.' Please find enclosed our submission prepared by Council Officers.

This Council Officer submission draws upon and aligns with the City of Port Phillip's endorsed strategies, including the *City of Port Phillip Housing Strategy 2024-2039*, *In Our Backyard: Growing Affordable Housing in Port Phillip 2025-2025* and *Think and Act: Homelessness Action Strategy 2015-2020*.

Your consideration of our submission is appreciated, and I look forward to reviewing the final recommendation once it is tabled to the Victorian Parliament in late 2025.

Yours sincerely,

Brian Tee
General Manager, City Growth and Development

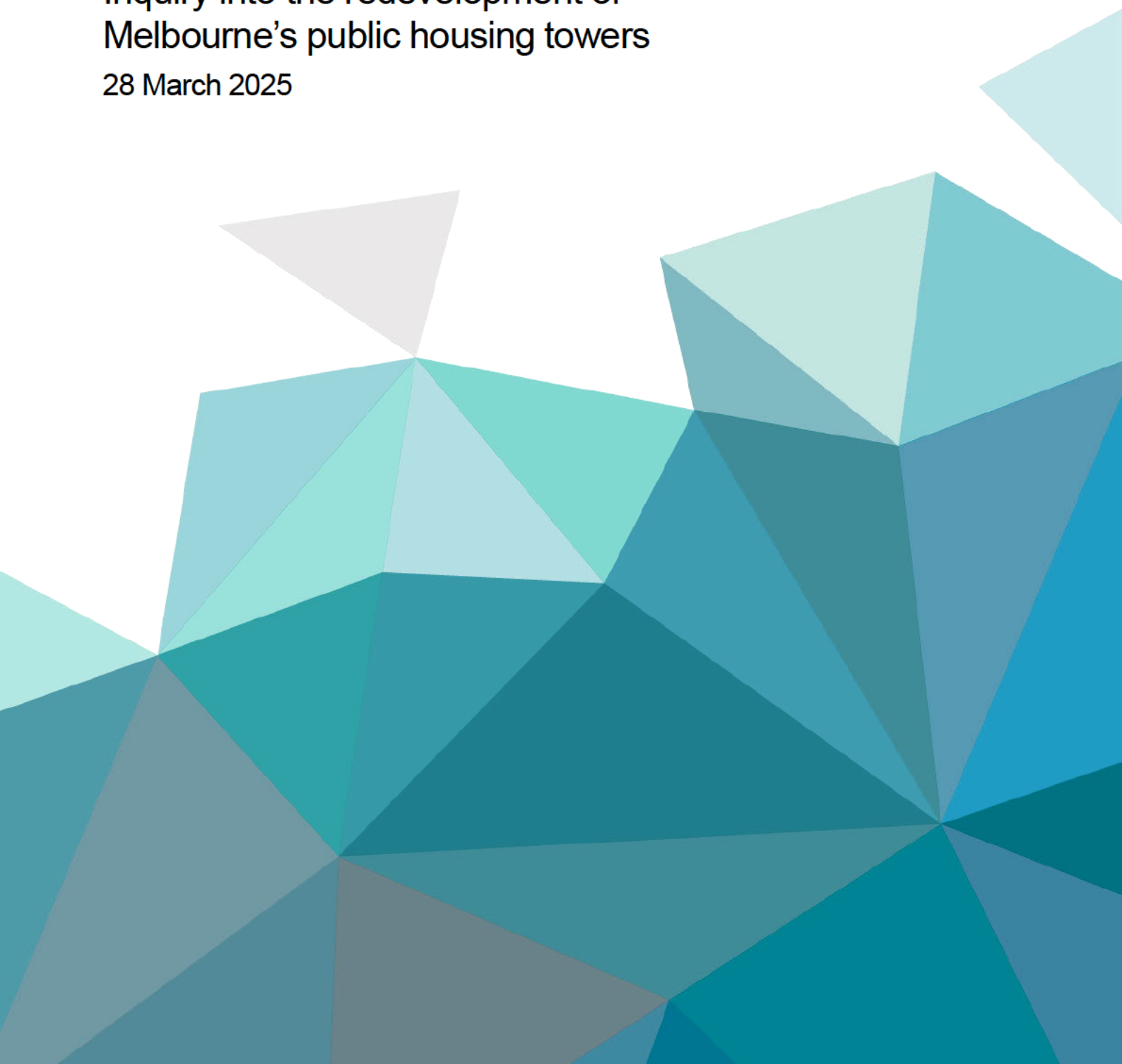
Encl.

- Enquiry in the redevelopment of Melbourne's public housing towers – Council Officer Submission 28 March 2025
- Attachment 1 - City of Port Phillip Housing Strategy 2024-2039 (Objective 6 – Facilitate the provision of more affordable housing)
- Attachment 2 - In Our Backyard: Growing Affordable Housing in Port Phillip 2025-2025
- Attachment 3 – Think and Act : Homelessness Action Strategy 2015 - 2020



City of Port Phillip Officer Submission: Inquiry into the redevelopment of Melbourne's public housing towers

28 March 2025





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Acknowledgement of Traditional Owners

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Submission

Introduction

The Legislative Council Legal and Social Issues Committee is evaluating the decision to demolish and redevelop the 44 high-rise public housing buildings and associated sites.

The City of Port Phillip welcomes the opportunity to make a submission to the 'Inquiry into the redevelopment of Melbourne's high rise public housing towers'. This submission, prepared by Council Officers, does not represent a formal resolution of Port Phillip City Council.

This submission aligns with Council's endorsed strategies, namely the City of Port Phillip Housing Strategy 2024 - 2039, In Our Backyard: Growing Affordable Housing in Port Phillip 2015-2025, and Think and Act: Homelessness Action Strategy 2015-2020.

The submission offers our local perspective and insights, grouped under each of the areas of the Inquiry Terms of Reference:

- (a) *the rationale and cost modelling for the decision to demolish and redevelop the 44 high-rise public housing buildings and associated sites ('the plan'), including alternatives to demolition, such as refurbishment and renovation;*
- (b) *the impact of the plan, including the compulsory relocation and displacement of public housing residents on the future net availability of public community housing and the existing decanting plans and the department estimates on the number of people who will permanently leave the area being developed;*
- (c) *the findings and adequacy of consultations with:*
 - I. *public housing tower residents and their representatives;*
 - II. *relevant local stakeholders, such as health, community and education service providers, residents and councils;*
 - III. *state and federal government departments and agencies;*
- (d) *the efficacy of the proposed financial, legal and project delivery models (including the ground lease model) to be used for the plan, versus alternative models to improve and increase the number of public and community homes on the sites in question and in Victoria;*
- (e) *building standards for the developments, including whether there will be the same standards for public, community and private housing;*

- (f) *how different development and ownership models will be integrated within each site to enhance community integration and achieve a diversity of tenants;*
- (g) *the likely impacts of the plan on:*
 - I. *the number of bedrooms currently at each location versus the proposed number of new bedrooms per site;*
 - II. *the number of public and community housing homes at each location and how remaining public land will be used;*
 - III. *the Victorian Housing Register and homelessness while the plan is being delivered;*
 - IV. *the future of public housing in Victoria; and*
- (h) *any other related matters.*

Summary of Items

Below is a summary of the key items raised in this submission:

Role of Local Government

- Victoria has a shortage of social, affordable and public housing, falling short of both the Australian average and OECD average. City of Port Phillip has targets for 10% of new dwellings to be affordable housing.
- City of Port Phillip has a strong legacy of delivering public, social and affordable housing, using a variety of nuanced approaches to deliver fit-for-purpose housing across the municipality.
- Council planning, local knowledge and expertise benefit housing projects by ensuring the planning and delivery of infrastructure and integration of new housing with surrounding areas.

Engagement with Local Government

- City of Port Phillip has a set of principles, the *City of Port Phillip Guiding Principles for Victorian Government public housing projects*, which guide how Council approaches state-led housing projects and what objectives should be met. The principles state, among other things, that state-led housing projects should consider the health and wellbeing of residents, demonstrate design excellence and align with Councils other strategic policy directions.
- The principles seek to ensure that *“projects provide inclusive and effective Council, resident and community engagement through all stages of development, that provides opportunities for meaningful input that influences outcomes.”*

Delivery Models

- Council expresses the need for a variety of funding and ownership models to deliver diverse housing for diverse needs, through both the private sector and public institutions.

- Council's housing strategy proposes several models of affordable housing delivery, including working with developers to include a percentage of affordable housing in developments, as well as funding partnerships with state and federal government.
- Council supports options for other private sector affordable housing models including shared equity schemes and build-to-rent schemes, among others.

Building and Design Standards

- All state-led housing projects should demonstrate design excellence and different housing types (such as social and private) should be indistinguishable.
- Housing projects should provide quantifiable benefits to the surrounding community.

Diversity and need

- Port Phillip urgently needs more diverse housing choices, particularly larger dwellings in new apartment developments to accommodate families and various other life stages. Housing choice is a key way to encourage a diverse community.
- State-led housing projects should not reduce the overall net number of bedrooms, and should increase the number of dwellings with three bedrooms.

City of Port Phillip supports a proactive approach to Council engagement from the Victorian Government on state public housing projects. A proactive approach will help deliver outcomes sought by the *Port Phillip Housing Strategy 2024 – 2039* and *In Our Backyard: Growing Affordable Housing in Port Phillip 2015 – 2025* including to “Facilitate opportunities to increase affordable housing yield and diversity on existing social housing sites through transfer, redevelopment, or sale and reinvestment.”¹

We wish to work closely with the State Government to identify and facilitate opportunities to pilot new delivery models and increase the yield, diversity and/or quality of housing in existing public housing estates.

In addition, we seek to facilitate partnerships with both the State and Federal Government to identify potential property developments that enable the delivery of new affordable housing units. The *In Our Backyard: Growing Affordable Housing in Port Phillip 2015 – 2025* and the *Port Phillip Council Plan 2022 - 31* recognise the benefits and opportunities for Council to support the renewal of existing public housing sites to increase the yield, diversity and quality of housing in existing estates where there is a clear social benefit.

¹ In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025 – Policy 3

(a) the rationale and cost modelling for the decision to demolish and redevelop the 44 high-rise public housing buildings and associated sites ('the plan'), including alternatives to demolition, such as refurbishment and renovation;

In relation to the rationale for the plan, we offer the following context from the Port Phillip perspective:

Addressing need

It is estimated Victoria will need an additional 600,000 social and affordable dwellings by 2051 to accommodate people and families suffering from homelessness, or households that are very low income and low income in rental stress. While the Big Housing Build aims to increase social housing dwellings in Victoria from 80,500 to about 89,000 – about 3.5% of all housing, this is less than the Australian average of 4.2% and the OECD average of 6%. Additional social housing dwellings are required to address the housing crisis.²

Victorian Government population and household projections forecast that by 2036, an extra 43,510 people will move to the City of Port Phillip and live in an additional 21,480 homes.³ Council is currently undertaking its own detailed strategic work and capacity modelling to determine the appropriate delivery of new housing to facilitate the new targets proposed by the Minister for Planning. This will also include Council's target for 10% of new dwellings to be affordable housing.⁴

Role and value of Local Government

The City of Port Phillip has been recognised as a national leader in demonstrating how local government can enable growth in affordable housing. We recognise the need to proactively ensure housing diversity and affordable housing remains available across our municipality. From 1985 through to 2006 Council acted as the developer to deliver several fit-for-purpose community housing projects.⁵ Some of these were built from the ground up, while others were adapted from other buildings. Some examples of council delivered projects during this period include:

1. Excelsior Hall, Port Melbourne - This project provided units for singles and persons with a disability in a recycled, historic hall building. Developed by the City of Port Phillip in 2005.

² Plan for Victoria – City of Port Phillip Submission, August 2024

³ City of Port Phillip Housing Strategy 2024 – 2039, Objective 1 – Ensure adequate housing supply

⁴ City of Port Phillip Housing Strategy 2024 – 2039, Objective 6 – Facilitate the provision of more affordable housing

⁵ In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025



2. Woodstock Community Housing, Balaclava - Developed by Council in the air space over a replacement public car park in 2006 (same model later applied by PPHA for project “Kyme Place”).



3. Inkerman Oasis Development, St Kilda - This project provided a mix of community and private housing developed through Council's partnership with a private developer between 2005 and 2012. The project included adaptive reuse of 1940s industrial building for new housing.



4. Liardet Community Housing, Port Melbourne - Developed by Council in the air space over and adjoining the Liardet Community Centre as it was being upgraded in 2004.



These projects were nuanced, responding to their local setting, funding and land acquisition models, and to the communities they would accommodate.⁶ From 2005 to 2015, Council contributed \$4 million to the Port Phillip Housing Trust which was used to purchase land for social housing projects⁷. Under the In Our Backyard strategy, Council has allocated \$5 million, of which \$4.775 M has been allocated to the Wellington St Common Ground project.

Council aims to continue to deliver affordable housing in the City of Port Phillip through various models, trusts and partnerships.

Port Phillip's Guiding Principles for Victorian Government public housing projects

On 19 October 2022 Council endorsed a set of guiding principles for Council officers to use in working with Homes Victoria to support the redevelopment of public housing sites in Port Phillip. These principles are outlined in Table 1:

Table 1. City of Port Phillip Guiding Principles for Victorian Government public housing projects

Strategic alignment	Projects reflect the values of social equity, diversity and inclusion and have alignment with Council strategic policy directions.
Social housing yield	Projects deliver a net increase in social (public and community) housing dwellings and do not reduce the overall number of new bedrooms provided. The people accommodated on the site are increased, resulting in a reduction in the public housing waitlist. Projects are retained in public ownership.
Dwelling mix	Projects deliver a mix of housing types, sizes and tenures that meet the needs of existing and future residents and diverse households and needs groups, including families. Projects ensure that different housing types are integrated and visually indistinguishable, with all residents benefitting from equitable access to residential amenity.
Holistic consideration of resident needs	Projects integrate health and wellbeing into design, provide opportunities for social connections, include measures to minimise the cost of living, maintain or improve access to public transport, local

⁶ In Our Backyard – Growing Affordable Housing in Port Phillip 2015-2025, “Key Achievements”

⁷ City of Port Phillip Housing Strategy 2024 – 2039, Objective 6 – Facilitate the Provision of more affordable housing

	services and employment and provide potential for on-site resident support services and social enterprises.
Design excellence	Projects deliver a high-quality built environment, universal housing design outcomes and high amenity within buildings and outdoor spaces.
Sustainability	Projects incorporate best-practice environmental sustainable design and respond to climate change impacts, including minimising operating costs for residents.
Neighbourhood integration	Projects integrate with the surrounding community and public realm, retain valued vegetation and features, prioritise walking and cycling and manage potential impacts on the surrounding community, including amenity, traffic and parking.
Broader public benefit	Projects provide quantifiable benefits to the surrounding community, such as public open space, community facilities and/or spaces for not-for-profit organisations and service organisations that support the local community.
Council jurisdiction	Projects manage demand and impacts on Council infrastructure, facilities and services including open space.
Community engagement	Projects provide inclusive and effective Council, resident and community engagement through all stages of development, that provides opportunities for meaningful input that influences outcomes.

(b) the impact of the plan, including the compulsory relocation and displacement of public housing residents on the future net availability of public community housing and the existing decanting plans and the department estimates on the number of people who will permanently leave the area being developed;

We offer the following insight on the need for detailed planning prior to redevelopment of the site, through the case study below:

Case Study: *Emerald Hill Court Masterplan*

Council adopted the South Melbourne Structure Plan on 21 August 2024, which sets out the long-term strategic vision for South Melbourne and an action plan on how it will be achieved over the next 20 years. The Plan confirms the City's support for retaining, upgrading and increasing the provision of social and public housing.⁸ This includes incorporating early master planning work by Homes Victoria in 2022 for revitalizing the Emerald Hill Court public housing estate bound by Dorcas, Moray, Coventry and St Luke Streets. Since June 2022, the residents of the walk-up flats portion of the estate have been relocated⁹ and the walk-up flats were subsequently demolished in late 2024. The 200 Dorcas Street high-rise public housing tower has been retained, with no further

⁸ [background-report-south-melbourne-structure-plan-copp-august-2024.pdf](#)

⁹ [Emerald Hill, South Melbourne | Big Housing Build](#)

relocations planned before July 2026.¹⁰ With most of the large site now vacant, Council is not currently aware of any progress on an updated masterplan or other redevelopment plans. This hiatus in planning the renewal of the estate has increased impacts on relocated and remaining residents, the surrounding community, and the ability of Council to assist Homes Victoria with the process.

(c) the findings and adequacy of consultations with: public housing tower residents and their representatives; relevant local stakeholders, such as health, community and education service providers, residents and councils; state and federal government departments and agencies;

Consultation with Local Government

City of Port Phillip has a strong legacy of delivering public, social and affordable housing, using a variety of nuanced approaches to deliver fit-for-purpose housing across the municipality. Moreover, Council planning, local knowledge and expertise benefit housing projects by ensuring the planning and delivery of infrastructure and integration of new housing with surrounding areas.

Council's *City of Port Phillip Guiding Principles for Victorian Government public housing projects within the municipality* aim to provide overarching guidance for all state government public housing projects. This includes outcomes around a net increase in social housing dwellings, dwelling diversity, high-quality and sustainable design, and engagement with the community through the stages of development.

Guiding Principle 10 of this document declares that *"projects provide inclusive and effective Council, resident and community engagement through all stages of development, that provides opportunities for meaningful input that influences outcomes."*

The guidelines also state how Council should engage with the Victorian Government on housing projects as aligned with other Council strategic work. The Victorian Government is responsible for consulting with the community and relevant stakeholders as part of the public housing projects, of which Council is a key stakeholder.

(d) the efficacy of the proposed financial, legal and project delivery models (including the ground lease model) to be used for the plan, versus alternative models to improve and increase the number of public and community homes on the sites in question and in Victoria;

Refer to response for Terms of Reference (f), see below.

¹⁰ [200 Dorcas Street \(Emerald Hill\), South Melbourne | Big Housing Build](#)

(f) how different development and ownership models will be integrated within each site to enhance community integration and achieve a diversity of tenants;

Delivery models

We place an emphasis on the delivery of both affordable and social housing. Based on ABS 2021 census data, about 20% of all households in Port Phillip required housing assistance because they were very low—to moderate-income households spending more than 30% of their income on housing.¹¹ Councils goal is for 10% of all new housing (outside Fishermans Bend) to be affordable housing, including a provision of social housing.¹² However, given the voluntary framework in Victoria, this number will not be achieved through any requirements for developers. Instead, the *City of Port Phillip Housing Strategy 2024-2039* suggests that for each private development past a certain development threshold, a proportion of the housing units should be reserved for individuals and families falling within the affordable housing income ranges. The percentage of the costs related to affordable housing paid by any party will be decided via voluntary negotiations on a case-by-case approach. The voluntary negotiation would consider factors such as development feasibility, government subsidies available, and preferences of the community housing sector.

This approach ensures a flexible and nuanced consideration based on each unique case. Other initiatives that council has considered are Federal and Victorian Government funding and support, private sector involvement or the lesser preferred option of cash contributions from landowners and developers in place of affordable housing.¹³

Delivery and ownership models

Government has a large part to play, but developers and the private sector are increasingly relied upon to respond to the issue of housing affordability. We need to support diverse and innovative housing models as they arise, in addition to increasing the supply of social (public and community) housing through the redevelopment of estates. By supporting the private sector's take-up of diverse and emerging housing models, we are more likely to achieve a broader range of affordable housing in Port Phillip. We will encourage greater diversity and choice of private affordable housing models, such as:

- Shared equity schemes
- Community Land Trusts
- Specialist Disability Accommodation for people on the National Disability Insurance Scheme (NDIS) packages
- Affordable 'build to rent' or 'rent to buy'

¹¹ Plan for Victoria – City of Port Phillip Submission, August 2024

¹² City of Port Phillip Housing Strategy 2024 – 2039, Objective 6 – Facilitate the Provision of more affordable housing

¹³ City of Port Phillip Housing Strategy 2024 – 2039, Objective 6 – Facilitate the Provision of more affordable housing

- Collaborative development projects for key workers.¹⁴

(e) building standards for the developments, including whether there will be the same standards for public, community and private housing;

Victorian government housing projects should demonstrate design excellence

Council continues to advocate for outcomes expressed in our *City of Port Phillip Guiding Principles for Victorian Government public housing projects within the municipality*. We determine that all Victorian government housing projects should demonstrate design excellence. Projects should deliver a high-quality built environment, universal housing design and high amenity with buildings and outdoor spaces. Projects should also provide quantifiable benefits to the surrounding community, such as public open space, community facilities and/or spaces for not-for-profit organisations and service organisations that support the local community. Social housing projects should also ensure that different housing types are integrated and visually indistinguishable, with all residents benefitting from equitable access to residential amenity.¹⁵

Almost all (99%) dwellings approved in Port Phillip in 2021 were new apartments, with 66% of those in buildings over 20 storeys high. It is projected that apartments will continue to be the main housing products delivered by the market in Port Phillip. It is important that all dwellings are well-designed, liveable and provide high level of internal and external amenity to improve the occupant's health, wellbeing, and overall quality of life for all.

Case Study: *Big Housing Build planning provision and neighbourhood integration*

On 1 December 2020, Planning Scheme Amendment VC190 introduced a new provision, Clause 52.20, into all Victorian Planning Schemes known as 'Victoria's Big Housing Build'. This provision facilitates the development of housing projects by or on behalf of Homes Victoria, with applications being assessed and approved by the Minister for Planning, rather than Council.

The Barak Beacon Port Melbourne GLM project was approved by Minister for Planning on 19 April 2024 using the Clause 52.20 provision. The approval is for demolition of 89 existing homes, being replaced with 408 new homes.

As part of Homes Victoria's public consultation process in March 2024, Council generally supported the proposal except for several recommended amendments, including improving integration with the surrounding neighbourhood.¹⁶ A particular characteristic of Clause 52.20 is that the Ministerial approval only relates to works inside the title boundary. This contrasts with other types of planning approvals for residential intensification sites that can require public realm upgrades to be delivered / financed by the developer.

¹⁴ City of Port Phillip Housing Strategy 2024 – 2039, Objective 6 – Facilitate the Provision of more affordable housing

¹⁵ Meeting Minutes – Meeting of the Port Phillip City Council 19 October 2022, <https://www.portphillip.vic.gov.au/media/o0znrqcc/10-4-victorian-government-public-housing-projects.pdf>

¹⁶ [Minutes of Meeting of the Port Phillip City Council - Wednesday, 6 March 2024](#)

As the scope of works in Barak Beacon's approval stops at the front boundary, this has created integration issues between public and private areas and unresolved pedestrian and vehicular safety measures around much of the 900-metre-long site perimeter. Many public assets such as footpaths, lights, pedestrian crossovers etc were built as an integral part of the demolished public housing estate, and now do not match the approved development or the surrounding neighbourhood.

Council is currently working with the GLM developer to see if some of the public realm upgrades can be secured via 'works in kind' in lieu of permit fees, however it is anticipated that the extent of these works will only cover a portion of the necessary safety and amenity upgrades in the public realm.

(g) the likely impacts of the plan on: the number of bedrooms currently at each location versus the proposed number of new bedrooms per site; the number of public and community housing homes at each location and how remaining public land will be used; the Victorian Housing Register and homelessness while the plan is being delivered; the future of public housing in Victoria;

Need for dwelling diversity

Another key barrier to diversity in the community is a lack of housing diversity and choice. This is a key challenge in Port Phillip:

- 67% of dwellings have two or less bedrooms.
- 56% of dwellings are high density apartments (above 3 storeys).
- Less than 8 per cent of dwellings are separate houses.¹⁷

Port Phillip urgently needs more diverse housing choices, particularly larger dwellings in new apartment developments to accommodate families and various other life stages. Housing choice is a key way to encourage a diverse community.

No net loss

Council's *City of Port Phillip Guiding Principles for Victorian Government public housing projects within the municipality* state that social housing projects should increase yield. Projects should deliver a net increase in social (public and community) housing dwellings and do not reduce the overall number of new bedrooms provided. The people accommodated on the site are increased, resulting in a reduction in the public housing waitlist.¹⁸

The *In Our Backyard* strategy and the *Port Phillip Council Plan 2022 - 31* recognise the benefits and opportunities for Council to support the renewal of existing public housing sites to increase the yield, diversity and quality of housing in existing estates where there is a clear social benefit.

¹⁷ Plan for Victoria – City of Port Phillip Submission, August 2024

¹⁸ Meeting Minutes – Meeting of the Port Phillip City Council 19 October 2022, <https://www.portphillip.vic.gov.au/media/o0znrqcc/10-4-victorian-government-public-housing-projects.pdf>

Case Study: Barak Beacon Estate Redevelopment

The current Homes Victoria Barak Beacon Port Melbourne GLM project has demolished 89 homes and is constructing at total of 408 new homes, including 130 social housing dwellings. As part of Homes Victoria's public consultation process in March 2024, Council did not support the proposed low number of three or more bedroom apartments identified as a core housing requirement through the Council area.¹⁹ The approved mix of dwelling types and sizes are summarised in the tables below:

Table 2 Summary of Barak Beacon Redevelopment

	Demolished	Approved
Total Dwellings	89 dwellings	408 dwellings
Social/ Affordable/ Market Dwelling Mix	Social: 89 dwellings (public)	Social: 130 dwellings (community) Affordable: 82 dwellings Market: 196 dwellings
Apartment Mix	Not publicly available	Studio dwellings: 20 dwellings 1 bedroom: 223 dwellings 2 bedroom: 122 dwellings 3 bedroom: 39 dwellings 4 bedroom: 4 dwellings

Table 3 Summary of Barak Beacon Social Housing Sizes

Bedrooms	New Social Housing
1 bed	63
2 bed	43
3 bed	20
4 bed	4
Total	130

¹⁹ [Minutes of Meeting of the Port Phillip City Council - Wednesday, 6 March 2024](#)



OBJECTIVE 6 - Facilitate the provision of more affordable housing



Relevant housing needs

Access to housing choices that are affordable to live in regardless of changing social or economic status (affordable housing).

Key messages

- Affordable housing is essential for sustainable, inclusive, and productive communities. At different times during one's lifetime, anyone could become homeless or need affordable rental housing.
- The City of Port Phillip has a long history of commitment to increasing the affordable housing available in the municipality.

- The *In Our Backyard – Growing Affordable Housing In Port Phillip 2015-2025* strategy represents Council's overall target and vision for Affordable Housing. The Strategy will help implement the In Our Backyard Strategy through planning tools.
- To facilitate the provision of affordable housing in Port Phillip, the Strategy proposes an affordable housing policy that contains:
 - Ten per cent of new dwellings in future developments should be affordable housing.
 - The target aligns with Housing Assistance Need analysis: 10 per cent of all households in Port Phillip are experiencing severe or moderate rental housing stress.
 - The 10 per cent target is not a mandatory requirement. Under the current state policy framework, local governments cannot impose a mandatory affordable housing target.

What the community told us

- Finding suitable and affordable housing in Port Phillip becomes increasingly difficult as years pass. This is a common experience for both homeowners and renters.
- The Housing Strategy should place a greater emphasis on both affordable and social housing.
- The City of Port Phillip has the potential to be a leader in providing community and affordable housing, building on its strong history in this area.
- Over 75 per cent of the responses received in Phase 3 agreed that the 10 per cent target was appropriate or believed it should be higher.

Discussion

Housing affordability and affordable housing

Affordable housing and housing affordability are related but distinct concepts.

OBJECTIVE 6

Housing affordability is relative to income level and focuses on the relationship between housing expenses (such as prices, mortgage payments or rents) and household incomes. The same house can be affordable for one household but not for another.

Affordable housing is a specifically defined term. In Victoria, under the *Planning and Environment Act 1987*, it refers to housing needed by those in very low, low, or moderate-income households.

The Victoria Government determines and annually reviews the income ranges for affordable housing (excluding social housing). The 2023 income ranges for each household are articulated in the table 7.

These income ranges cover many families, older people, and early-career workers in healthcare, hospitality, and creative industries.

The shortfall of affordable housing in Port Phillip

Known for its vibrant neighbourhoods and cultural diversity, Port Phillip has seen a significant increase in housing prices in recent years. The surge in property values has led to a growing disparity between the cost of housing and the income levels of the community who live or wish to live here.

Based on ABS 2021 census data,³³ about 20 per cent of all households required housing assistance because they were very low—to moderate-income households spending more than 30 per cent of their income on housing. Among those 10,500 households in need, half are in severe or moderate rental stress, and another half are either homeless or living in social housing.

The total number of households in Port Phillip is forecast to grow to 83,675 by 2041. If the current supply of social housing dwellings stays the same,³⁴ the need for housing assistance is forecast to increase to 17,300 households by 2041, indicating an estimated shortfall of 12,600 affordable dwellings.³⁵

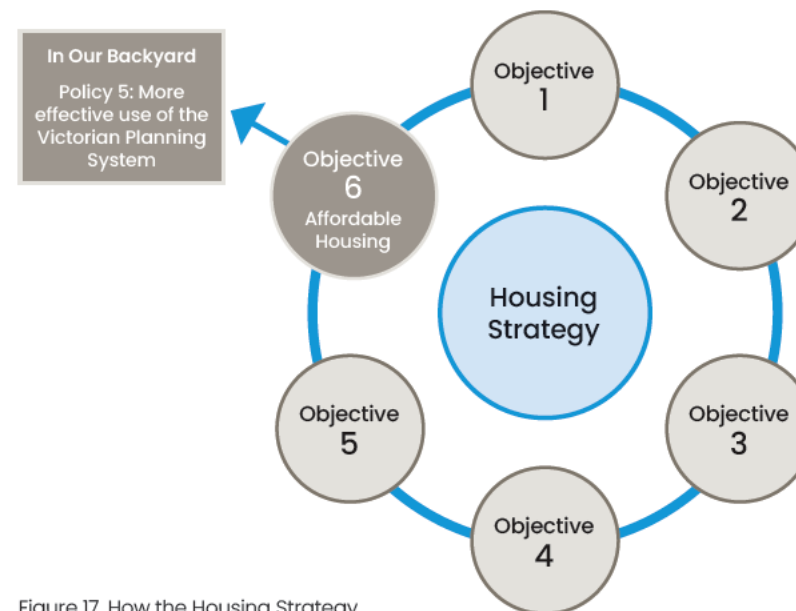


Figure 17. How the Housing Strategy implements the *In Our Backyard* Strategy

OBJECTIVE 6

Figure 18. Affordable housing as defined under the *Planning and Environment Act*. Source: diagram adapted based on *Affordable-Housing-Agreements_DIGITAL.pdf* (chiaviv.com.au)

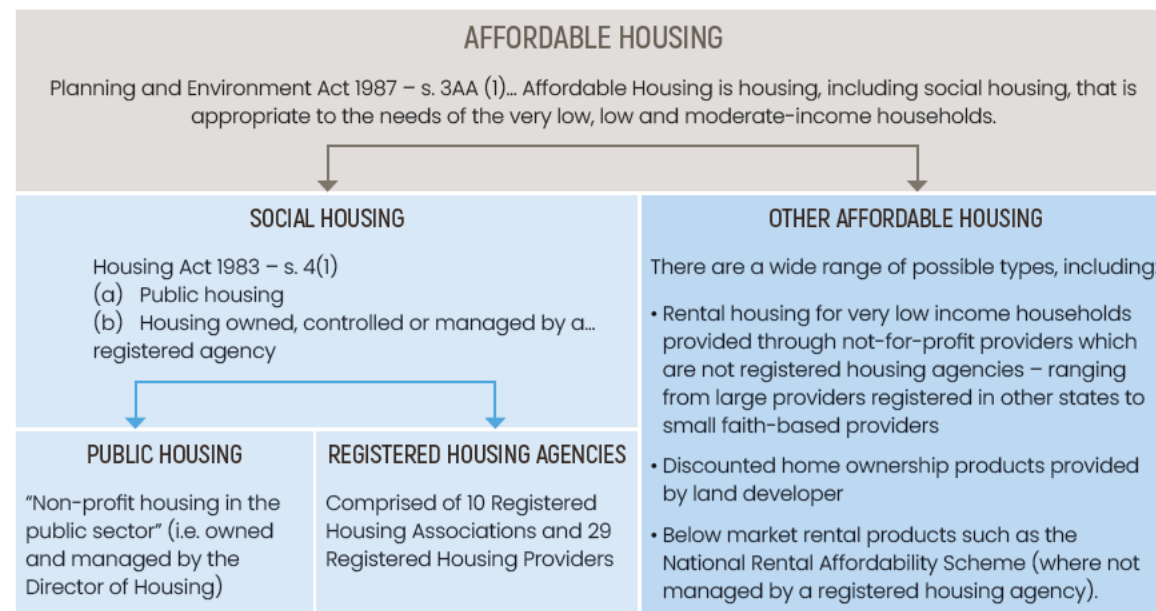


Table 7. Income ranges for affordable housing (Greater Capital City Statistical area of Melbourne), June 2023. Source: Victorian Government Gazette, 2023, *Planning and Environment Act 1987*, Section 3AB – Specification of income ranges.

HOUSEHOLD	VERY LOW-INCOME RANGE (ANNUAL)	LOW-INCOME RANGE (ANNUAL)	MODERATE INCOME RANGE (ANNUAL)
Single adult	Up to \$29,770	\$29,771 to \$47,630	\$47,631 to \$71,450
Couple, no dependant	Up to \$44,650	\$44,651 to \$71,450	\$71,451 to \$107,170
Family (with one or two parents) and dependent children	Up to \$62,510	\$ 62,511 to \$100,030	\$100,031 to \$150,030

OBJECTIVE 6

HOUSEHOLD TYPE (2021 DATA)	PORT PHILLIP LGA		PORT PHILLIP excluding Fishermans Bend		FISHERMANS BEND*	
	Total					
	2021	2041	2021	2041	2021	2041
Homeless	1,200 2%	1,900 2%	1,200 2%	1,900 3%	0	0
Severe rental stress	2,500 5%	5,400 6%	2,500 5%	4,300 6%	0	1,100 9%
Moderate rental stress	2,900 6%	5,300 6%	2,900 6%	4,200 6%	0	1,000 8%
Living in social housing	3,900 7%	4,700† 6%	3,900 7%	3,900 6%	0	800† 6%
TOTAL need for assistance	10,500 20%	17,300 21%	10,500 20%	14,400 20%	0	2,900 23%
Affordable housing shortfall	6,600	12,600	6,400	10,500	0	2,100

Table 8. Need of housing assistance and affordable housing shortfall 2021-2041

*Port Phillip portion to the Fishermans Bend Urban Renewal Area

†Assumes an additional 800 Affordable housing from Fishermans bend based on assumption that the 6% affordable housing target would be fully implemented.

Percentages (%) are a share of all households. The count of social housing comprises long-term accommodation (not temporary accommodation)

Background facts:

In Australia, the largest cohort experiencing homelessness is single men. However, women over the age of 45 are the fastest-growing cohort of the population experiencing homelessness. An estimated 7,000 women over the age of 50 were homeless in 2016, reflecting a 31 per cent increase since 2011. The number would be bigger if it included those who resort to couch surfing or living in cars, who are often not included in statistics related to homelessness.

OBJECTIVE 6

Housing for Frontline Workers

Frontline workers in essential public services like healthcare, education, policing, emergency services, transport, and community welfare play a vital role in our city's functioning and safety. Yet, it is hard for them to afford median rents in Port Phillip.

Between 2016 and 2021, there has been a loss of essential workers in many regions of Melbourne, with the Inner East (-11%) and Inner Melbourne (-9%) experiencing the most significant net losses of essential workers.

Compared to the overall labour force, essential workers in Melbourne are more likely to live in outer suburbs and nearby regional cities. The concentration of essential workers living within 15 kilometres of the Melbourne CBD has decreased since 2011 due to a lack of housing affordability in these areas, while there has been an increase in essential worker residents in outer suburbs and adjacent regional areas.

This creates labour supply problems for inner urban businesses, impacting their efficiency and viability.

Recent disruptions and crises, particularly the COVID-19 pandemic, have further highlighted our cities and populations' dependence on these workers and the risks for overall resilience when services are inadequately staffed.

Intervention and innovation across the housing system are critical to improving access to housing for essential workers if the Port Phillip economy is to function effectively as a city in the future.

The impact of short-stay rental accommodation on housing affordability

The rise of platforms like Airbnb has made it easier for property owners to rent out their homes or units as short-stay accommodations (SSA). In Port Phillip, about 1 to 3 per cent³⁶ of all dwellings are used for SSA.

The impact of SSA on housing affordability has yet to be established. Research conducted in 2018 suggested short-term letting platforms like Airbnb do not significantly worsen rental affordability across Melbourne.³⁷ However, their impact on the availability of rental properties, particularly in high-demand inner city areas like St Kilda, is more evident.

The COVID-19 pandemic may have intensified the availability challenges. According to the ABS 2021 data, the average household size has dropped across Metropolitan Melbourne since the pandemic. This trend indicates that fewer people are opting to live in shared housing, putting more pressure on the rental supply. Notably, from April 2022 to April 2023, the City of Port Phillip's property vacancy rate dropped by 1.5 percentage points, to 0.9 per cent.³⁸

During consultation on the *Places to Live: Discussion Paper*, some community members expressed that Council should engage with the State Government and implement local measures to address the impacts of short-term rentals and find ways to incentivise regular rentals.

It is important to note, though, that SSA is not a defined use in the planning scheme, and there is no planning tool that can directly regulate the SSA market. However, in cases where SSA might impact the amenity of neighbouring properties, Council would consider using existing legislation and its Local Laws to address amenity concerns.

OBJECTIVE 6

In September 2023, the Victorian Government announced its intention to introduce a new 7.5 per cent levy on SSA.³⁹ At the time of writing, the timing for the new levy's introduction is still being determined, and it is unclear whether the Victorian Government is considering any further levies or regulation of SSA. We will monitor the short-term accommodation market and its impact on rental vacancies and housing affordability.

Council investment in community housing

Council has a long-standing commitment to affordable housing. We were among the first Councils in Victoria to develop a community housing program between 1985 and 2006 (under the former City of St Kilda) and to set up a housing reserve to directly fund social housing after 2005.

From 2005 to 2015, Council contributed \$4 million from this housing reserve to the Port Phillip Housing Trust (PPHT), used by the PPHT's trustee company, HousingFirst, to purchase land for social housing projects.

Since 2015, with the adoption of our *In Our Backyard – Growing Affordable Housing Strategy 2015 – 2025*, Council has allocated \$5 million over 10 years (\$500,000 per year) into a housing reserve – the IOBY Reserve. The reserve can be allocated to various partners to deliver social housing in Port Phillip.

To date, \$4.755 million of the IOBY Reserve has been allocated to the 28 Wellington Street Common Ground project, in addition to an adjoining surplus lane valued at \$365,000.

This project will house people experiencing rough sleeping under a partnership with St Kilda Community Housing and Homes Victoria.

Council also makes property contributions from time to time. Under the *In Our Backyard* strategy, Council has contributed a 1,800 m² public car park site in Marlborough St, Balaclava, to the Port Phillip Housing Trust. Housing First has developed this site as a 46-unit community housing project for families, older people, and people with disability and a replacement car park.



Kyme Place community housing, Port Melbourne
(Source: City of Port Phillip)



Marlborough Street community housing, Balaclava
(Source: HousingFirst)

OBJECTIVE 6

New beginnings: Anisha and her daughter Serenity

Imagine what it would be like to be pregnant, escaping a destructive relationship, essentially homeless and with no friends or family nearby.

This is exactly the situation that Anisha found herself in when she turned up for a pre-natal appointment at the Royal Women's Hospital.

Referred to Cornelia Program, a ground-breaking partnership between Housing First, the Royal Women's and Launch Housing, she was able to bring her baby home to a lovely studio apartment in St Kilda.

The Cornelia Program aims to break the cycle of homelessness for vulnerable women and their babies and is the first such collaboration in Australia between a hospital, a housing provider and a homelessness service that focuses on this cohort of at-risk women.

Over the nine months she spent there, Anisha received the practical support and counselling she needed to start getting her life back together and to look after her precious new daughter, Serenity.

Showing just how determined she is to make a new life for herself and now her daughter, Anisha and Serenity have now transitioned out of the Cornelia Program and are living independently.

Anisha is determined to get back to work. She has a Certificate 2 & 3 in food and dreams one day of having her own food truck – serving food that reflects the real taste of the Torres Strait Islands, the food she grew up with.



Anisha and daughter Serenity
Source: Housing First

OBJECTIVE 6

Affordable housing on government land

The *In Our Backyard* strategy and the *Port Phillip Council Plan 2022 – 31* recognise the benefits and opportunities for Council to support the renewal of existing public housing sites to increase the yield, diversity and quality of housing in existing estates where there is a clear social benefit.

In Port Phillip, the Big Housing Build, announced in 2020 by the Victorian Government as a COVID-19 pandemic stimulus, funded the delivery of seven projects with 260 units (net 182 units). Five have been completed, and two are committed or under construction at the time of writing. Examples of these developments include the Marlborough St community housing development in Balaclava by Housing First, which comprises 46 units, and the Wellington St Common Ground project in St Kilda by St Kilda Community Housing, featuring 26 units.

The Victoria Housing Statement, announced in September 2023, included many initiatives, including to:

- Invest \$1 billion in the Affordable Housing Investment Partnership, which aims to provide low-interest loans and government guarantees for affordable and social housing in Victoria.
- Develop all 44 public housing high-rise towers across Melbourne by 2051, with a guarantee of at least a 10 per cent uplift in the number of social housing units at these sites and additional affordable and market homes.
- Streamline the planning process for medium to high-density residential developments that meet set criteria. For projects in metropolitan Melbourne worth at least \$50 million, including at least ten per cent affordable housing will cut application timeframes from more than twelve months to four.

A national cabinet on housing has also been established with the National Housing Accord that sets a target of constructing 1.2 million new, well-located homes within five years, starting from July 1, 2024.

Under the Victorian Government's Housing Statement, the Minister can consider planning applications for developments that are considered a significant economic development or significant residential development with an affordable housing component, bypassing standard Council planning approvals process. Council will continue to advocate for open lines of communication and regular dialogue between the Victorian Government and affected councils, ensuring the community voice is heard.

Council supports the retention and delivery of new social housing built under such Victorian government initiatives and will continue to advocate for outcomes expressed in our *City of Port Phillip Guiding Principles* (adopted by Council on 19 October 2022), which aims to provide overarching guidance to all state government public housing projects. This includes outcomes around a net increase in social housing dwellings, dwelling diversity, high-quality and sustainable design, and engagement with the community through the stages of development. The full list is contained in Table 9.

OBJECTIVE 6

Strategic alignment	Projects reflect the values of social equity, diversity and inclusion and have alignment with Council strategic policy directions.
Social housing yield	Projects deliver a net increase in social (public and community) housing dwellings and do not reduce the overall number of new bedrooms provided. The people accommodated on the site are increased, resulting in a reduction in the public housing waitlist. Projects are retained in public ownership
Dwelling mix	Projects deliver a mix of housing types, sizes and tenures that meet the needs of existing and future residents and diverse households and needs groups, including families. Projects ensure that different housing types are integrated and visually indistinguishable, with all residents benefitting from equitable access to residential amenity.
Holistic consideration of resident needs	Projects integrate health and wellbeing into design, provide opportunities for social connections, include measures to minimise the cost of living, maintain or improve access to public transport, local services and employment and provide potential for on-site resident support services and social enterprises.
Design excellence	Projects deliver a high-quality built environment, universal housing design outcomes and high amenity within buildings and outdoor spaces.
Sustainability	Projects incorporate best-practice environmentally sustainable design and respond to climate change impacts, including minimising operating costs for residents.
Neighbourhood integration	Projects integrate with the surrounding community and public realm, retain valued vegetation and features, prioritise walking and cycling and manage potential impacts on the surrounding community, including amenity, traffic and parking.
Broader public benefit	Projects provide quantifiable benefits to the surrounding community, such as public open space, community facilities and/or spaces for not-for-profit organisations and service organisations that support the local community
Council jurisdiction	Projects manage demand and impacts on Council infrastructure, facilities and services including open space.
Community engagement	Projects provide inclusive and effective Council, resident and community engagement through all stages of development, that provides opportunities for meaningful input that influences outcomes.

Table 9. City of Port Phillip Guiding Principles for Victorian Government public housing projects

OBJECTIVE 6

10 per cent affordable housing target

To facilitate the provision of crucial affordable housing in Port Phillip, we aim that 10 per cent of housing within the new housing developments on private land (excluding Fishermans Bend⁴⁰) should be affordable housing.

It's important to note that, given the voluntary framework in Victoria, the 10 per cent target should not be understood as requiring developers to provide 10 per cent of housing units as affordable housing for free (though it might be appropriate under specific circumstances, especially where rezoning land is involved).

Instead, it suggests that for each private development past a certain development threshold, a proportion of the housing units should be reserved for individuals and families falling within the affordable housing income ranges. The percentage of the costs related to affordable housing paid by any party will be decided via voluntary negotiations on a case-by-case approach. The voluntary negotiation would consider factors such as development feasibility, government subsidies available, and preferences of the community housing sector.

This approach ensures a flexible and nuanced consideration based on each unique case.

The target is influenced by several factors:

- Align with housing assistance need: About 10 per cent of all households in Port Phillip are experiencing severe or moderate rental housing stress.
- Progressive increase of social housing stock: 6.5 per cent of the housing stock in Port Phillip is classified as social (public and community) housing. In 2015, the same figure was 7.2 per cent. The proposed 10 per cent target aims not only to maintain the current proportion of social housing stock, but also to gradually increase the proportion of affordable housing units in Port Phillip over time.
- Align with Victoria Housing Statement: At least 10 per cent of Affordable Housing is encouraged through the Victorian Government development facilitation program and surplus public land development. This is already included in the Port Phillip Planning Scheme (at clause 53.23 Significant Residential Development with Affordable Housing).

- Align with the existing target in Structure Plans: Both the Council's adopted Bay Street Activity Centre Structure Plan (2014) and Carlisle Street Activity Centre Structure Plan (2009) seek to make 10 per cent of new dwellings affordable.
- Government efforts: the Australian and Victorian Governments are working to address the affordable housing needs. This could involve various policies, initiatives, and funding to support the development of affordable housing.
- Private Sector Involvement: Private capital has significantly increased in social bonds that focus on social issues (including affordable housing). In Australia, superannuation funds have already shown an appetite to invest in housing, including social and affordable housing projects.⁴¹
- Cash contributions: Landowners or developers can provide a cash contribution instead of affordable housing units. However, the preferred option is to have affordable housing dwellings delivered by private developers in situ, so that the affordable housing is more evenly distributed.

OBJECTIVE 6

Overall, we will address the shortage of affordable housing by involving the private sector and leveraging multiple government efforts. The proposed target range aims to balance the housing needs of the community and create a sustainable and equitable approach to increasing affordable housing availability in Port Phillip.

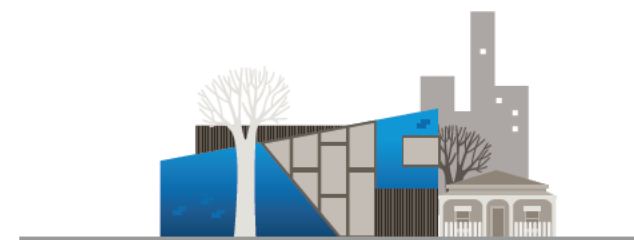
Diverse and innovative affordable housing models

As developers and the private sector increasingly respond to the issue of housing affordability, we need to support diverse and innovative housing models as they arise. This also heightens the need to establish a central system to register those new affordable housing units and ensure these homes stay affordable in the life cycle.

By supporting the private sector's take-up of diverse and emerging housing models, we are more likely to achieve a broader range of affordable housing in Port Phillip. We will encourage greater diversity and choice of private affordable housing models, such as:

- Shared equity schemes
- Community Land Trusts
- Specialist Disability Accommodation for people on the National Disability Insurance Scheme (NDIS) packages
- Affordable 'build to rent' or 'rent to buy'
- Collaborative development projects for key workers.

A shared equity arrangement might offer a unique pathway for moderate-income households to buying a first home in Port Phillip.



OBJECTIVE 6

STRATEGIES (S) AND ACTIONS (A)		ROLE	TIMEFRAME	LEAD	BUSINESS IMPACT
S6.1	Facilitate the provision of more affordable housing in Port Phillip.				
A6.1.1	Introduce policy into the Planning Scheme for areas outside Fishermans Bend, for all rezonings to residential use, and in major developments to provide for at least 10% affordable housing.	Deliver	Short to medium term	Lead	Subject to annual plan and budget
A6.1.2	Support emerging affordable housing models, including but not limited to affordable “Build to Rent” and affordable “Rent to Buy”, shared equity housing and Community Land Trusts.	Deliver	Short to medium term	Lead	Subject to annual plan and budget
A6.1.3	Support the retention of and delivery of new social and affordable housing on public land, including through the redevelopment of public housing sites.	Partner	Ongoing	Lead	Operating budget/ Business as usual
A6.1.4	Identify opportunities for social and affordable housing on Council land or strategic sites in or near activity centres and undertake review of planning controls to facilitate appropriate affordable housing development.	Partner	Ongoing	Lead / Partner	Operating budget/ Business as usual
A6.1.5	Explore targeted incentives to support affordable housing, including innovative affordable housing models (such as the fast tracking of planning permits).	Deliver	Short to medium term	Lead	Operating budget/ Business as usual
A6.1.6	Develop non-statutory toolkits to support the take-up and application of emerging housing models by the private sector.	Deliver	Short to medium term	Lead	Operating budget/ Business as usual
A6.1.7	Support the development of a state-wide affordable housing register to record voluntary agreements (via section 173 of the P&E Act) with the private sector.	Deliver	Short to medium term	Lead / Partner	Operating budget/ Business as usual
A6.1.8	Continue to advocate for planning reforms to introduce a mandatory requirement for affordable housing.	Advocacy	Ongoing	Lead / Partner	Operating budget/ Business as usual

IN OUR BACKYARD

Growing Affordable Housing in Port Phillip 2015-2025





Contents

4 **1. INTRODUCTION**

6 **2. AFFORDABLE HOUSING IN THE CITY OF PORT PHILLIP**

- Defining affordable housing
- Historical perspective
 - Council's evolving role
- Local registered housing organisations
- Benefits of community housing
- Key achievements
 - Port Phillip Housing Program (Phase 1)
- Key achievements
 - Project delivery by PPHA (Phase 2)

14 **3. OUR VISION - A DIVERSE, INCLUSIVE AND EQUITABLE CITY**

16 **4. THE AFFORDABLE HOUSING CHALLENGE**

- Housing affordability and local housing need
- The affordable housing context and barriers to solutions

23 **5. OUR AFFORDABLE HOUSING GOALS**

- Our forecast
- Our key deliverables

26 **6. OUR AFFORDABLE HOUSING PLAN**

- The Strategic Framework
- Our Policy and Action Plan
 - Strategy 1: Use Council property to deliver affordable housing
 - Strategy 2: Optimise benefits from existing affordable housing sites
 - Strategy 3: Implement planning mechanisms
 - Strategy 4: Continue to provide Local Government leadership

36 **GLOSSARY**

37 **APPENDICES**

- Appendix 1: Profile of Port Phillip Housing Trust and registered local community housing organisations
- Appendix 2: Spectrum of housing products

Maintaining social diversity



FOREWORD FROM MAYOR, CR. BERNADENE VOSS

Council respectfully acknowledges the Yalukit Wilam Clan of the Boon Wurrung. We pay our respects to their Elders, both past and present. We acknowledge and uphold their continuing relationship to this land.

Most of us take for granted that we have a safe, secure and affordable home. But for too many in our community, this is not the case. We all have a responsibility to make a contribution to reducing homelessness by ensuring there is more affordable housing.

Over the last 30 years Council has made a significant ongoing commitment to both understanding the affordable housing issue and developing solutions. \$55.6m in property and cash has been invested by Council and the Victorian and Commonwealth governments.

In 2005 with the establishment of the Port Phillip Housing Trust, our community has benefited from a productive and successful relationship with the Port Phillip Housing Association as Trustee, which has delivered 64 new community housing units (between 2005 and 2015).

Council recognises the importance of maintaining a socially diverse and inclusive community, and that appropriate housing is important to maintain the health and wellbeing of our residents (*Council's Housing Strategy 2007 - 17* and *Municipal Public Health and Wellbeing Plan 2013 - 17*).

In Our Backyard - Growing Affordable Housing in Port Phillip 2015 - 2025 is our plan to address housing affordability in the City of Port Phillip. It is a plan that reflects Council's longstanding leadership

in affordable housing and our commitment to maintaining a diverse, inclusive and equitable City, especially for those who are disadvantaged and marginalised.

In Our Backyard identifies Council's role and actions it will take to grow the supply and diversity of affordable housing in the City of Port Phillip to address priority local housing needs.

Going forward over the next 10 years to 2025, Council will continue to make a significant commitment, estimated at \$30 million, through a pipeline of suitable developable Council land (\$25 million value at 2016) together with cash contributions of \$500,000 per year.

Council will seek expressions of interest from Port Phillip Housing Association, South Port Community Housing Group and St Kilda Community Housing to develop these properties, to ensure that best value (social, economic and environmental) is achieved for the residents of the City of Port Phillip.

Exploring potential planning mechanisms in Port Phillip, including Fishermans Bend, is also an important strategy to facilitate delivery of affordable housing by the private sector.

Council recognises that both rental housing and home purchasing is generally unaffordable for Port Phillip's low to moderate income residents.

Affordable housing is vital to maintaining social inclusion, equity and tolerance. I look forward to seeing this plan implemented so housing is attainable for more of our residents, especially those who are socially disadvantaged and marginalised.

1. Introduction

Social inclusion, equity and respect for diversity are at the heart of the cultural fabric of the City of Port Phillip. The Council Plan 2013-17 calls for a 'healthy, creative and inclusive City', one that welcomes diversity, social justice and the 'delivery of affordable housing to meet community needs'. The City of Port Phillip has long recognised that affordable housing is fundamental to ensuring a vibrant and liveable city, and the health and wellbeing of its community.

For over 30 years, the City of Port Phillip has been recognised as a national leader in demonstrating how local government enables growth in affordable housing, having:

- developed Australia's largest community housing program between 1985 and 2006 that directly provided 311 units in 14 projects
- pioneered the development of community housing in air space over Council car parks and community facilities.

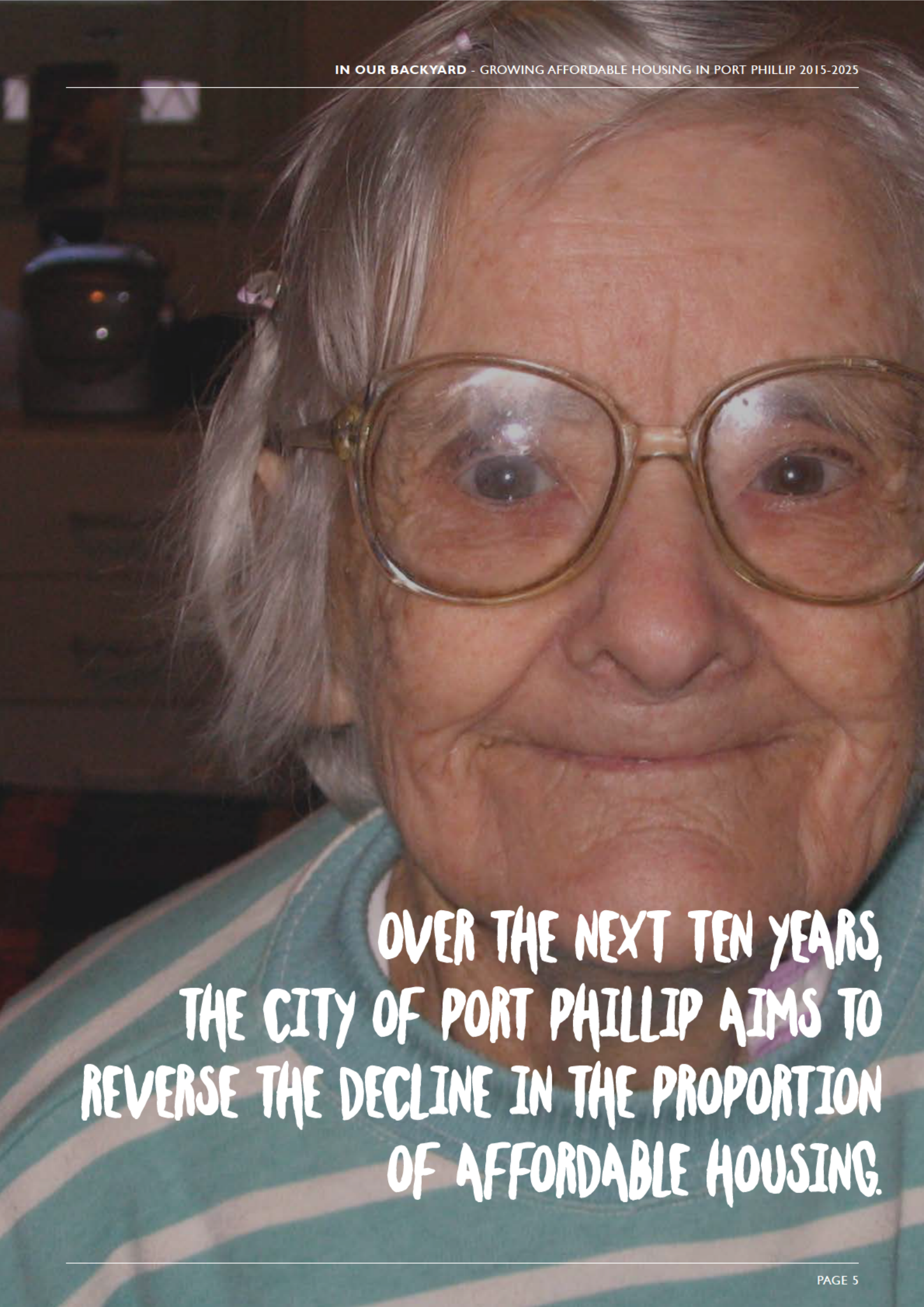
Since 1985, there has been a combined 645 community housing units delivered either by Council and the Port Phillip Housing Trust, or the Port Phillip Housing Association as its own company. This was possible because of partnerships with the Victorian and Commonwealth governments.

Over the last decade, new factors have arisen that have increased the demand for affordable housing. The proportion of affordable housing units in the City of Port Phillip is now declining, while conversely new affordable housing needs are appearing. If left unaddressed, this decline will detract from the City's reputation as a diverse, inclusive and equitable City.

The City of Port Phillip recognises it needs to respond proactively to ensure housing diversity remains available across the City. Affordable housing is an important component of this housing choice, and Council recognises the important role that partnerships with Port Phillip Housing Association (PPHA), St Kilda Community Housing (St KCH), South Port Community Housing Group (SPCHG) and the private sector will have in addressing the local affordable housing needs. This importance is similarly recognised by the Victorian Government, which sees community housing organisations as the primary vehicle for growing social housing across the state.

Over the next 10 years, the City of Port Phillip aims to reverse the decline in the proportion of affordable housing in the City, cater to emerging local housing needs, and ensure the provision of affordable housing becomes a component of private development. Through direct investment of \$30 million of Council property assets and supporting cash contributions, around 170 new community housing units will be delivered, representing an estimated development value of between \$36 million and \$41 million.

In Our Backyard outlines strategies and actions, as well as expected outcomes, to ensure affordable housing remains an important component of the City's housing offer over the next decade. The strategy includes specific Council commitments and also reflects a broader agenda to strengthen Council's partnerships with local community housing organisations, the Victorian and Commonwealth governments, and the private and community sectors, to effectively address together the significant affordable housing challenge.



OVER THE NEXT TEN YEARS,
THE CITY OF PORT PHILLIP AIMS TO
REVERSE THE DECLINE IN THE PROPORTION
OF AFFORDABLE HOUSING.

2. Affordable housing

IN THE CITY OF PORT PHILLIP

DEFINING AFFORDABLE HOUSING

Affordable housing refers to housing that meets the needs of low to moderate income households unable to access suitable housing in the private market without assistance. The currently accepted benchmark for affordability is 30 per cent or less of household income spent on accommodation costs, for households in the lowest 40 per cent of the income range.

Social housing provides rental housing in perpetuity to low household income groups. In the City of Port Phillip, affordable housing is made available through the following providers of social housing:

- **Public housing** - provided, owned and managed by the Victorian Government's Department of Health and Human Services (DHHS)
- **Community housing** - provided, owned and/or managed by community housing organisations. There are two main types of community housing organisations in Victoria:

1. Registered Housing Associations

- which are able to develop housing projects in their own right. They have a relatively high development capacity, as well as capacity to assume the development risk on housing projects. Registered Housing Associations often generally house a wider range of target groups. They charge rents at 25 per cent of income, and can charge rents up to 30 per cent of income (up to 75 per cent of market rent) for housing owned by Housing Associations.

PPHA is one of a number of registered Housing Associations in Victoria. It is the only one whose primary focus is within the City of Port Phillip. It currently manages 628 units across the City.

- #### **2. Registered Housing Providers**
- which generally focus on management of social housing, with some having a development capacity for smaller housing projects. They tend to focus on housing specific target groups - generally lower income groups. They charge rents up to 25 per cent of gross household income, where they manage DHHS housing. They can also charge rents of up to 30 per cent of income for any housing they own.

SPCHG and St KCH are the two registered Housing Providers based in the City of Port Phillip. They manage 287 units and 337 units respectively.

There are a number of other registered and unregistered community housing organisations operating in the City of Port Phillip, but they are not based in the municipality.

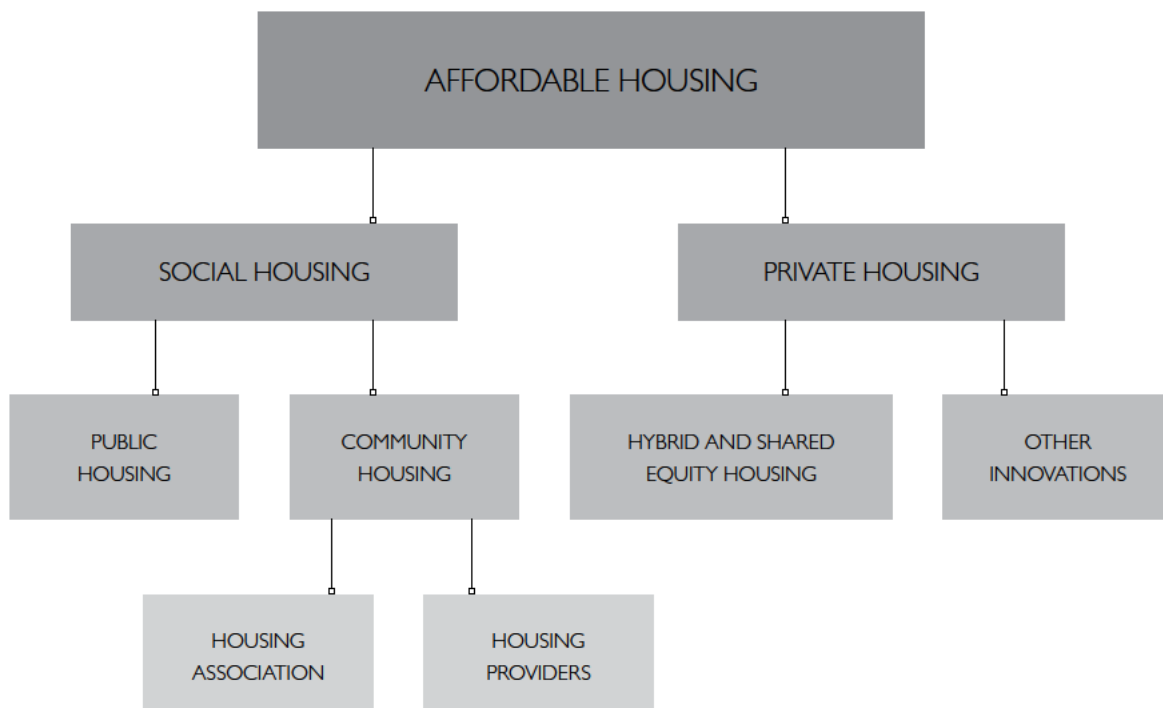


© St Kilda Community Housing Ltd.

Affordable home ownership does not currently exist in Port Phillip, as the cost of renting and purchasing housing has increased significantly faster than increases in income levels. Over the last 10 years, most home ownership in urban areas has become increasingly unaffordable for low and moderate income households.

In addition to these definitions of affordable housing, an increasing number of philanthropic foundations, ethical investors and charities are also supporting affordable housing delivery. This is typically through providing funding to assist in the delivery of community housing units in partnership with community housing organisations, with ethical investors considering being developers of affordable housing.

Affordable Housing Types



HISTORICAL PERSPECTIVE - COUNCIL'S EVOLVING ROLE

The City of Port Phillip has a long and proud tradition of supporting community housing. Divided into three phases, the delivery of affordable housing has evolved over time in response to the City's changing context and needs.

Council's role in affordable housing is founded on the work of the former cities of Port Melbourne, South Melbourne and St Kilda. The former City of St Kilda played a significant direct role in the provision of community housing, and South Melbourne Council supported the establishment of South Port Community Housing Group Inc. in 1983 (formerly South Port Rooming House Group Inc.). In addition, St Kilda Council was supportive of the establishment of St KCH in 1984 (formerly St Kilda Rooming House Issues Group Inc.). Both organisations were established to manage rooming houses provided by the Victorian Government in the 1980s and 1990s.

PHASE 1 - DIRECT DEVELOPER

Council became a direct developer of community housing between 1985 and 2006. During this period the 'Port Phillip Housing Program' became the largest local government housing program in Australia, with \$41 million of Council, and Victorian and Commonwealth government funds used to develop 311 units across 14 projects. Council helped establish PPHA (formerly St Kilda Housing Association Inc.) in 1986 to manage completed Council projects, with PPHA also becoming a developer from 2000/2001.

PHASE 2 - ESTABLISHMENT OF THE PORT PHILLIP HOUSING TRUST AND PARTNERSHIP WITH PPHA

In 2005, Council created the Port Phillip Housing Trust (PPHT), with PPHA appointed as Trustee. At this time, Council ceased its role as a direct developer of community housing. Of the 311 units developed in Phase 1, Council vested 295 units, valued (in 2007) at \$49.2 million, to the PPHT. This ensured the units provide affordable housing in perpetuity, with priority allocation to low income residents with significant links to Port Phillip. One unit has been decommissioned, and the remaining 16 units are owned and managed by DHHS.

From 2005/06 to 2014/15, the City of Port Phillip provided \$4 million of Council funding, and the provision of one additional property to the PPHT. These contributions have successfully supported PPHA as Trustee to deliver a further 64 housing units. In addition, PPHA delivered a further 193 new housing units in Port Phillip by securing debt finance and successfully bidding for capital funding from Victorian and Commonwealth governments.

In total there are 358 community housing units managed in the PPHT. This includes 316 units that are either owned (in full or part) and managed, and 42 units that are managed only.

PHASE 3 - STRATEGIC PARTNERSHIPS - IN OUR BACKYARD

In Our Backyard details the strategic approach and role of Council over the next 10 years to grow the supply of affordable housing units in the City of Port Phillip. It builds upon the existing strong strategic partnerships with both the PPHA and the Victorian Government, and seeks to develop new partnerships with St KCH, SPCHG, the Commonwealth Government, and the private and philanthropic sectors.

Three phases of Council's role in affordable housing

PHASE 1 1985-2006 COUNCIL AS DEVELOPER

14 projects
311 new units
370 people housed

- Largest local government program in Australia
- Included air space developments and public/private partnerships
- Leveraged \$43.8m investment

PHASE 2 2005-2015 ESTABLISHMENT OF PPHT AND PARTNERSHIP WITH PPHA

3 projects (PPHT)
64 new units (PPHT)
193 new units (PPHA)
365 people housed

- 12 Council properties worth \$49.2m (2007) transferred to establish the PPHT
- One Council property worth \$2.5m (2009) developed
- Two additional projects developed under the Trust
- \$4m cash contributions
- Leveraged \$64.5m investment

PHASE 3 2015-2026 STRATEGIC PARTNERSHIPS: 'IN OUR BACKYARD'

170 new units (under one or more trusts or other mechanism)
750 new units (partnerships - with governments, private and philanthropic sectors, and new planning mechanisms)

- Council properties worth \$25m (2015) be transferred to a one or more trusts or other mechanism
- \$5m cash contributions
- Leverage of \$36 - \$41m investment (forecast)

Housing Trusts are a legal 'vessel' for owning and holding funds, contributions and property assets. These are referred to as Trust Funds.

Housing Trusts are often used by contributors or donors of Trust Funds, such as government, as they provide an effective means of perpetually protecting the interests of contributors or donors because they define the Purposes in which Trust Funds can be used, and the powers of Trustees.

LOCAL REGISTERED HOUSING ORGANISATIONS

The City of Port Phillip recognises the important role partnerships with local community housing organisations will have in continuing to deliver new housing in the City. Each of the three local organisations has a strong commitment to maintain and grow large community housing portfolios in Port Phillip.

The following registered community housing organisations currently operate within the City of Port Phillip:

1. **PPHA** - a registered Housing Association managing 628 units (including 358 units managed in the Port Phillip Housing Trust).
2. **SPCHG** - a registered Housing Provider managing 287 units.
3. **St KCH** - a registered Housing Provider managing 337 units.

In total, 1252 community housing units are currently provided by these registered community housing organisations, representing 2.2 per cent of all dwellings in the City (refer to Appendix I).

There are six other registered community housing organisations owning and/or managing community housing:

- Community Housing Ltd. (67 units)
- Housing Choices Australia (30 units)
- Common Equity Housing Ltd. (1 unit)
- Launch Housing (19 units, plus 195 Transitional Housing Management units)
- Women's Housing Ltd. (2 units)
- Prahran Malvern Community Housing (3 units).

In addition, there are a number of small, unregistered community housing organisations or properties providing community housing in Port Phillip, such as Uniting Care Harrison Housing Services (40 units). Overall, these organisations provide a total of 162 community housing units.

BENEFITS OF COMMUNITY HOUSING

Community housing provides a number of social benefits that make it a sustainable and effective form of affordable housing. Community housing is:

- ***well designed***
- ***efficiently and innovatively developed***
- ***integrated into local communities***
- ***well managed and regulated***
- ***well resourced with resident support services, where required.***

In total, 1,252 community housing units are currently provided by three registered community housing organisations, representing 2.2 per cent of all dwellings in the City.

1. PORT PHILLIP HOUSING ASSOCIATION LTD.

Kyme Place, Port Melbourne, a 27 unit community housing project developed in 2012 in air space over a replacement Council car park.

This is one of nine projects developed by PPHA in Port Phillip.

Architect: **MGS Architects**

2. SOUTH PORT COMMUNITY HOUSING GROUP INC.

Bank Street, South Melbourne, a 40 unit community housing project developed in 2012 on land with a long term lease from the Catholic Church.

This is one of two projects developed by SPCHG in Port Phillip.

Architect: **Design Inc.**

3. ST KILDA COMMUNITY HOUSING LTD.

Grey Street, St Kilda, a 19 unit community housing project refurbished and extended in 2012 on land owned by the DHHS.

This is one of three projects developed by St KCH in Port Phillip.

Architect: **De Jong Architects**





KEY ACHIEVEMENTS - PORT PHILLIP HOUSING PROGRAM (PHASE I)

Over a 21 year period between 1985 and 2006, the Port Phillip Housing Program became the largest local government housing program in Australia. Achievements include the following select projects:

1. EXCELSIOR HALL, PORT MELBOURNE

This project provided units for singles and persons with a disability in a recycled, historic hall building. Developed by the City of Port Phillip in 2005.

Architect: **Michael McKenna Pty. Ltd.**

Photographer: **Trevor Mein**

2. INKERMAN OASIS DEVELOPMENT, ST KILDA (STAGE 1)

This project provided mixed private and community housing developed through a partnership with a private developer between 2005 and 2012.

Architect: **William Boag Pty Ltd Architects**

3. WOODSTOCK COMMUNITY HOUSING, BALACLAVA

Developed by Council in the air space over a replacement public car park in 2006 (same model later applied by PPHA for the Kyme Place project).

Architect: **MGS Architects**

Photographer: **John Gollings**

4. LIARDET COMMUNITY HOUSING, PORT MELBOURNE

Developed by Council in the air space over and adjoining the Liardet Community Centre as it was being upgraded in 2004.

Architect: **Tectura**



KEY ACHIEVEMENTS - PROJECT DELIVERY BY PPHA (PHASE 2)

From 2005/2006 to 2014/2015 PPHA, as Trustee of the PPHT, increased the size of the trust by 64 units in three projects:

- Ormond Road, Elwood
- Blessington Street, St Kilda
- Kyme Place, Port Melbourne (illustrated on page 11).

1. ORMOND ROAD, ELWOOD

Transferred to PPHT in 2007 and redeveloped by PPHA under the Trust in 2008.

Architect: **De Jong Architects**

2. BLESSINGTON STREET, ST KILDA

Developed by PPHA in 2011 under the PPHT. PPHA negotiated the land acquisitions for the development of 24 one bedroom and 2 two bedroom units. Council supported the project through enabling a land exchange between Council and a private developer.


This project was funded under the Nation Building Economic Stimulus Plan.

Architect: **David Watson Architects**

Photographer: **David Waring**

3. Our Vision

A DIVERSE, INCLUSIVE AND EQUITABLE CITY

A photograph of two men sitting and talking. The man on the left is looking down, and the man on the right is looking at him. They are in a casual setting, possibly a workshop or a community center. The background is slightly blurred, showing some shelves and objects.

Council is committed to ensuring our City is a welcoming and safe place for all. Underpinning this direction of our Council Plan (2013-17), a key action is to *'support the delivery of affordable housing to meet community housing needs'*.

The Council Plan also seeks to *'advocate to and partner with others, to address factors impacting on health and wellbeing'*.

The City of Port Phillip Municipal Public Health and Wellbeing Plan 2013-17, has a vision for our City as:

‘an active, safe and inclusive community where all people are able to connect and access the places, activities and services required to support positive health and wellbeing’.

Housing and homelessness is one of nine priority areas in the Plan:

‘Council recognises that housing is a basic human right and is cognisant of the impact that housing stress and homelessness can have on a person’s life’.

The City’s Social Justice Charter also subscribes to a number of core values that reflect why the growth of affordable housing in Port Phillip remains a high priority for Council. These values are:

- **Access** - equality of access to information, facilities and services
- **Respect** - valuing diversity
- **Addressing the rising cost of living** - reducing disadvantage
- **Enjoying the City** - being connected.



A continued decline in the proportion of affordable housing may lead to:

- loss of community diversity
- greater housing stress, including the dislocation of existing residents to more affordable areas with poor access to public transport, shops and services
- less social equity, with the erosion of the richness of cultural experience, and the inability of affected residents to participate in their communities due to housing stress, homelessness or dislocation to other areas
- loss of local services, in particular support services that target our most vulnerable community members and are crucial to our local community housing sector.

‘Everyone is part of a minority in different ways and all minorities are part of community. That’s what makes community - many different perspectives’.

CITY OF PORT PHILLIP SOCIAL JUSTICE CHARTER

4. Housing Challenge

HOUSING AFFORDABILITY AND LOCAL HOUSING NEED

THE LEVEL OF HOUSING AFFORDABILITY

The housing affordability problem (rental and home ownership) has deepened and broadened over the last 10 to 20 years in Port Phillip, from affecting the lower 50 - 60 per cent of the income range of residents in 1995 to affecting the lower 70 per cent of the income range in 2015.

Using the benchmark ratio of rent / mortgage costs to household income of 30 per cent, the housing affordability problem in Port Phillip is demonstrated by the following:

- less than one per cent of private rental housing is affordable to low income households
- rental housing is unaffordable to all households up to the lower 60 - 70 per cent of the income range
- home ownership is unaffordable for persons in lowest 70 per cent of the income range, being twice as expensive compared with Greater Melbourne, and median priced houses or units are generally only affordable to persons in the highest 10 per cent of the income range
- rental stress impacts on 6,261 households in Port Phillip (2013). If all those in housing stress were rehoused in community housing, this would cost an estimated \$1.9 billion
- the traditional form of private affordable housing almost totally disappearing over the last 10 to 20 years through the closure of private rooming houses and the subdivision of rental flats for home ownership or higher rental as investment flats.

PRIORITY LOCAL HOUSING NEEDS

The housing affordability problem has increased the level of housing stress for most low to moderate income households and increased demand for social housing.

Low income single persons, including older persons, have been the largest component of the community needing affordable housing over the last 30 years, comprising approximately 80 per cent of local demand for community housing. This demand will continue to dominate local housing need in the next 10 years as the average household size continues to decrease and the population profile continues to age.

Within the spectrum of target groups / household types assisted by community housing organisations, over the last 10 years specific groups have emerged as having particular housing needs. Based on local housing information, trends and external research, and anecdotal information, these groups comprise:

- older persons, in particular older single women
- low income families, including larger families
- singles at greatest risk of homelessness
- low income wage earners / key workers.

As an input to help assess how to target and achieve best value from Council's property assets and supporting cash contributions to grow the number of community housing units in Port Phillip, a cost benefit analysis was undertaken to measure the net community benefit of a number of partnership scenarios.

COST BENEFIT ANALYSIS

The cost benefit analysis found the option of broadening partnerships with local community housing organisations, through maintaining and strengthening the partnership with PPHA and entering into new partnerships with SPCHG and St KCH, created the greatest net community benefit in the following areas:

- the provision of new community housing
- avoided health, justice and welfare costs
- labour force engagement
- community diversity and strengthening.

The analysis found the value of Council's investment was enhanced by increasing the provision of community housing addressing the needs of singles at greater risk of homelessness.

In general, the analysis demonstrated that over the next 26 years, the City of Port Phillip would receive \$79.2 million worth of benefits for a cost of \$26.6 million. This would provide a benefit-to-cost ratio of 2.9:1. The analysis also illustrated that there will be a net community benefit through investment in partnerships with the three organisations.

COST BENEFIT ANALYSIS, MARCH 2014,
SGS ECONOMICS AND PLANNING




“Without housing, my rights to be treated fairly within society were taken from me.”

“When I became sick with cancer, being a single woman left me no means of support except a sickness benefit. I lost my job and couldn’t continue my studies, and my low income had to cover rent, food, electricity, transport and medication. Pretty soon the only accommodation I could afford was a rooming house and this presented a new list of problems that hindered my long term health... without one’s health, even a small issue like housing becomes one of the most important issues in your life. Without appropriate housing, my rights to proper health care were taken from me. Without housing, my rights to be treated fairly within society were taken from me.”

‘LISA’ WAS RELOCATED TO SOCIAL HOUSING IN PORT PHILLIP.





“We have lived in St Kilda for over 20 years - we are about to be thrown out on the street.”

“We have lived in St Kilda for over 20 years. I am 75 and my husband is 77; he relies on oxygen throughout the day, but especially at night. I have had five operations on my back. We are both on a lot of medication and have many outpatient visits to specialists at The Alfred. We have rented this home for 15 years, and now we have to leave because it is being sold, but we cannot find anything to rent, even within a ring of 10 kilometres from this area, and everything we have tried has then had an extra \$50 added to the weekly advertised rent by the time we have inspected or applied for it - we are about to be thrown out on the street.”

‘GEORGE AND MARY’, RELOCATED TO SOCIAL HOUSING IN ST KILDA.

THE AFFORDABLE HOUSING CONTEXT AND BARRIERS TO SOLUTIONS

Council's strategic approach and 'action plan' for growing affordable housing over the next decade responds to the changing housing context, barriers to delivery and opportunities discussed below. This ensures Council's efforts are focused and best placed to achieve its affordable housing goal.

THE ATTRACTION OF THE CITY OF PORT PHILLIP

Accommodation in the City of Port Phillip continues to be highly sought after, with residents enjoying the following benefits:

- availability of a wide variety of local and regional services
- proximity to shops, recreation and leisure opportunities and parks
- access to local and central city jobs
- well connected public transport
- high quality bicycle paths, footpaths, and streetscapes.

High accessibility assists in reducing living expenses, and consequently Port Phillip is ideally placed for locating affordable housing.

“It is hard to live anywhere on low income. It is better in St Kilda because there are lots of services.”

CITY OF PORT PHILLIP SOCIAL JUSTICE CHARTER

The universal attraction of Port Phillip has however, contributed to a significant increase in its housing prices - both for purchase and rental.

DECLINING AFFORDABILITY OF HOUSING

Over the last census period (2006 - 2011), Melbourne median house prices increased by 42 per cent while median household incomes increased by only 23 per cent. The attraction of the City of Port Phillip has amplified this trend, with the ratio of housing purchase costs to household income approximately twice the Melbourne metropolitan average.

‘As a growing number of high-income earners are attracted to the City of Port Phillip, the challenge for Council is to create a place where people from all walks of life can enjoy the city. Lack of personal wealth should not limit people’s ability to enjoy the opportunities that society offers.’

CITY OF PORT PHILLIP SOCIAL JUSTICE CHARTER

SHIFT IN TARGET MARKETS BY THE PRIVATE SECTOR

Historically, the private sector targeted multiple market segments, providing 'low cost' housing to moderate and occasionally low income groups. Increasingly, the private sector is targeting the wealthiest 30 per cent of the income range in their product mix; with moderate income earners (in the middle 50 to 70 per cent of the income range) becoming less able to afford local accommodation.

There are also few incentives for private developers to target moderate or low income market segments, or partner with other organisations to deliver affordable housing.

THE BROADENING HOUSING AFFORDABILITY PROBLEM

The housing affordability problem was previously contained to low income households, but now extends to also limit access to rental housing and home ownership by moderate income households. The consequence of this trend is that households seeking home ownership often stay for long periods or permanently in the private rental market. This increased demand for private rental housing contributes to an increase in private rent levels, increased housing stress, a greater demand for social housing, or longterm residents being forced to leave the municipality to find affordable housing, often relocating to areas with poor access to shops, public transport and social services.

This problem creates the need for new affordable housing products and delivery models to address a wider range of needs (refer to Appendix 2).

The opportunity exists for Council to direct its support for local community housing in a way that most effectively targets and addresses emerging local housing needs.

RISING COST OF LAND

Rapidly increasing land prices are core to the decline in housing affordability and present a primary barrier for the community housing sector, and government, to deliver growth in affordable housing. The high cost of land constrains the ability of our local community housing organisations to purchase sites on the open market, and reduces the viability and deliverability of new affordable housing projects.

Accordingly, there is an increasing reliance of community housing organisations on government support and subsidies to enable delivery of new housing.

SHIFT IN THE ROLE AND FOCUS OF THE VICTORIAN AND COMMONWEALTH GOVERNMENTS

Historically, the Victorian Government has directly funded public housing, however the emphasis has now shifted to using community housing organisations as the providers of new social housing. The recent lack of growth in public housing, and an absence of capital funding for new community housing projects, has resulted in the relative decline in the level of social housing as a component of all housing in Port Phillip. Similarly the withdrawal of National Rental Affordability Scheme (NRAS) subsidies by the Commonwealth Government has further constrained affordable rental housing supply.

Most recently however, there has been strong recognition and interest in the affordable housing challenge, by both the Victorian and Commonwealth governments. The current formulation of new social housing policy by the State presents an opportunity for Council to work collaboratively to identify solutions to the affordable housing challenge.

Council wants to ensure that it and local community housing organisations are well placed to leverage any available Victorian and Commonwealth government partnership funding or other housing initiatives.

NEED FOR A ROBUST LOCAL COMMUNITY HOUSING SECTOR

Council recognises the importance of supporting a robust local community housing sector and building the capacity of local housing organisations. This recognises the benefits, efficiencies and long term viability of community housing. The three existing local community housing organisations also respond to the diversity of housing needs across Port Phillip, ranging from families and persons at greatest risk of homelessness, to low income wage earners and 'key workers'. 'Key workers' is a term that broadly implies occupations necessary to the efficient functioning of a city and communities, particularly service industry workers such as emergency workers, nurses, teachers, hospitality workers and cleaners.

OPPORTUNITIES THROUGH PARTNERSHIPS

There is increasing interest from philanthropic and some private investors in affordable housing. This creates the potential for new funding streams and partnership arrangements that can make a significant contribution to the supply of new affordable housing.

The strategies identified in *In Our Backyard* primarily target changing housing needs and the barriers outlined (refer to pages 20 - 22) to enable affordable housing to be delivered by both community housing organisations and the private sector.

FISHERMANS BEND - A SNAPSHOT OF THE AFFORDABLE HOUSING CHALLENGE

Achieving a supply of affordable housing in Fishermans Bend is an imperative to create a diverse and inclusive new community.

Only 1.3 per cent of new housing in Fishermans Bend is projected to be affordable to all households over the next 40 years. Without government intervention and planning mechanisms, the private housing market will exclude:

- all very low and low income renters and purchasers, comprising small households with singles and couples and family households with children
- all moderate income renting and purchasing family households
- two thirds of small moderate income purchasing households
- one third of small moderate renting households
- low income wage earners / key workers, creating a labour supply problem for local businesses and industry through unstable access to a reliable workforce due to long commuting distances from areas with affordable housing.

FISHERMANS BEND URBAN RENEWAL AREA: OPTIONS FOR DELIVERY OF AFFORDABLE HOUSING, JUNE 2013, JUDITH STUBBS & ASSOCIATES

OUR AFFORDABLE

5. Housing Goals

The City of Port Phillip recognises the importance of ensuring affordable housing forms part of the housing mix available in the municipality. It also recognises that the core reasons for the affordable housing challenge are unlikely to change in the foreseeable future. The solution rests not with making all housing in the City more affordable, but with responding directly to the barriers that limit the delivery of affordable housing.

In Our Backyard is underpinned by the following goal:

‘Grow the supply and diversity of affordable housing in the City of Port Phillip to address priority local housing needs, including for the most disadvantaged and marginalised.’

This goal recognises the broadening housing affordability problem, which requires action across governments and the housing sector to deliver a wider range of housing products.

The City has developed a framework around this goal with a series of strategies, policy, and associated outcomes and benefits, which forms the basis of this affordable housing plan.

OUR FORECAST

Social housing levels, as a proportion of total dwellings in Port Phillip, have been declining over the last 20 years. In 1996, social housing comprised 8.0 per cent of the City's housing stock, with this declining to the current 7.2 per cent. In the last 10 years, the extent of this decline has been moderated through the investment in social housing by the Victorian and Commonwealth governments under the Nation Building - Economic Stimulus Plan, Social Housing Initiative program (2008-2010).

If no new social housing units are delivered in Port Phillip over the next decade, this crucial component of affordable housing as a proportion of the City's total housing stock will reduce further, from the current 7.2 per cent to a forecast 5.9 per cent by 2025. This is at a time when the broadening affordability challenge means new target groups will place additional demand on the existing supply of affordable housing.

Over the next 10 years, over 920 new social housing units will be required to maintain the City's current 7.2 per cent proportion. 170 new units will be provided through Council's commitment to leverage its existing underutilised property assets while the remaining strategies of *In Our Backyard* will need to deliver the residual 750 additional units.

In order to meet these additional needs, the private sector will need to contribute to the delivery of low cost and community housing. As highlighted in our Strategic Framework, the implementation of new planning mechanisms and development incentives will be crucial to this.

OUR KEY DELIVERABLES

This plan has been created to deliver the following outcomes:

1. Strengthened partnerships with PPHA and the Victorian Government.
2. Potential new partnerships with St KCH, SPCHG, the Commonwealth Government, private organisations, Community Land Trusts, philanthropic foundations, ethical investors, charities and other housing providers interested in delivering new affordable housing units in the City of Port Phillip.
3. 170 new community housing units by leveraging underutilised Council assets.
4. 750 community housing units in partnership with other organisations.
5. \$36 million to \$41 million of development investment, leveraged by a \$30 million Council contribution of property assets and cash over 10 years.
6. \$79 million in net community benefits over 26 years.
7. Planning mechanisms that ensure the private sector delivers affordable housing.
8. Expanded capacity and expertise of Council and local registered community housing organisations in innovating to deliver affordable housing into the future.

Section 6 details how the affordable housing plan will achieve these outcomes.

6. Our Affordable Housing Plan

THE STRATEGIC FRAMEWORK

The City of Port Phillip is directly targeting the barriers to delivering new housing as described in Section 4. Council has developed a Strategic Framework to guide our response, which consists of four pillars - each comprising a number of policies and associated actions.

Use Council property to deliver new community housing units

- Contribute Council property assets and cash to local community housing organisations through an expression of interest process (Policy 1)
- Deliver community housing on other Council property divested to the private sector (Policy 2)

Optimise benefits from existing affordable housing sites

- Work with the Victorian Government to identify and facilitate opportunities to improve and increase yield from existing public housing sites (Policy 3)
- Facilitate PPHA to identify existing PPHT assets that can be redeveloped to increase their housing yield (Policy 4)

Implement planning mechanisms

- Identify opportunities for affordable housing planning mechanisms and work with the Victorian Government on how this can be delivered, including at Fishermans Bend (Policy 5)
- Apply these planning mechanisms to deliver social and affordable housing through private sector development (Policy 5)

Continue to provide local government leadership

- Facilitate delivery of affordable housing projects by other organisations (Policy 6)
- Foster innovative models to achieve a broader spectrum of affordable housing (Policy 7)

OUR POLICY AND

Action Plan

STRATEGY I: USE COUNCIL PROPERTY TO DELIVER AFFORDABLE HOUSING

POLICY I

Provide a pipeline of Council property assets and supporting cash contributions for the purposes of delivering new community housing units in the City of Port Phillip.

ACTIONS


I.1 Allocate Council cash and property contributions over the next 10 year period (commencing 2015/16), valued at an estimated \$30 million:

- In association with Council's Asset Management Strategy and subject to appropriate due diligence and future Council resolutions, identify and endorse a pipeline of suitable developable Council land, either in the order of 5,000 m² of land area (\$25 million value at 2016) or with potential to deliver approximately 170 new community housing units.

The properties are to be underutilised or have the ability to accommodate air space development (as over Council car parks or above community facilities). Any repurposing needs to be undertaken in accordance with Council's Asset Management Strategy, in accordance with the *Local Government Act 1989* and the Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land (2009), and be subject to due diligence and future Council resolutions.

This property pipeline is expected to deliver a total of 170 new community housing units, depending on site parameters and target housing type. All identified properties will be transferred to a housing trust or other legal mechanism to protect Council's interests in perpetuity and to ensure ongoing benefits to the Port Phillip community.

- **Package Council properties with supporting cash contributions** of \$500,000 per year over the next 10 years (commencing 2015/16) totalling \$5 million, for the purpose of assisting local registered community housing organisations to leverage finance for the delivery of projects. The distribution of cash contributions will include consideration of:
 - the number and range of units to be delivered
 - target housing needs (with additional subsidies provided for 'higher need' residents)
 - the relative benefits of a guaranteed cash flow versus a lump sum payment.



**LACK OF PERSONAL WEALTH
SHOULD NOT LIMIT PEOPLE'S
ABILITY TO ENJOY THE
OPPORTUNITIES THAT SOCIETY
OFFERS**

© South Port Community Housing Group Inc.

1.2 Develop an Expression of Interest (EOI) process for the allocation of 'packaged' Council property and supporting cash contributions commencing July 2016, that will include consideration of the following:

- giving preference to local registered community housing organisations (PPHA, St KCH and SPCHG), including the opportunity for partnerships either between these organisations or with other community housing or other organisations
- innovative solutions that best address priority local housing needs
- leveraging any available Victorian and/or Commonwealth Government partnership funding.

1.3 Use 'Housing Trusts' or other legal mechanism to protect Council's interests in perpetuity, ensuring that property and cash contributions deliver on going benefits to the Port Phillip community.

OUTCOMES AND BENEFITS

1. 170 new community housing units provided over the next 10 years, with all new units provided in perpetuity.
2. An estimated \$36 to \$41 million of development investment by local community housing organisations, delivered by leveraging Council's \$30 million contribution of property assets and cash over 10 years.
3. \$79 million in net community benefits generated over the next 26 years.
4. Maximum social benefits are achieved to the City of Port Phillip, consistent with the Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land (2009), though the use of a competitive Expression of Interest process.



WHY AN EXPRESSION OF INTEREST PROCESS?

An Expression of Interest process is appropriate as:

- it will ensure that best value (social, economic and environmental) is achieved for the residents of the City of Port Phillip
- it is a competitive process, aligned with the expectation under the Local Government Best Practice Guidelines for the Sale, Exchange and Transfer of Land (2009). These Guidelines state that sales should be conducted through a public process to ensure probity, public accountability and transparency
- in addition to selling the land Council wishes to control the future use or development of the land - in this case in perpetuity for community housing
- it is a method whereby Council can assess and test its' assumptions with EOI respondents about the opportunity and benefits that can be realised from the land
- it will be established with a view to minimising the financial and resourcing implications to ensure participation is encouraged and enabled.

The expression of interest will encourage innovation in the sector, and will include weighted key performance indicators related to:

Social benefits

- development yield - number of new community housing units to be delivered
- ability to house target groups/housing types aligned with priority local housing needs.

Economic benefits

- project financial feasibility and viability, including need for and level of supporting cash contributions
- project development capability and capacity, with regard to size and complexity.

Environmental benefits

- response to Council's design and development parameters and planning controls, including environmental sustainable design (ESD) outcomes.

A development agreement will be used to ensure the EOI benefits flow through to the final project.



© Common Equity Housing Ltd. (CEHL)

POLICY 2

Pursue inclusion of community housing as a component of private development on divested Council land.

ACTIONS

- 2.1 **Progressively identify surplus or underutilised Council properties** suitable for housing or mixed use development, which could deliver a component of community housing as a social return to Council. This could include the opportunity for partnership funding with the Victorian and Commonwealth governments to pilot new models for delivering affordable housing.
- 2.2 **Develop an expression of interest process for the divestment of identified Council properties**, that requires prospective developers to include a proportion of community housing units. Community housing units will be either:
 - ‘gifted’ to a registered housing organisation
 - sold to a registered housing organisation at a discounted market value
 - developed in partnership between the developer and the registered housing organisation.

OUTCOMES AND BENEFITS

1. Optimal community benefit achieved, which balances financial returns with a social return to the City.
2. Community housing is delivered on suitable land divested by Council.
3. Ownership of new community housing units on former Council land is vested with registered local housing organisations, providing affordable housing in perpetuity.
4. Private sector procurement model for delivering affordable housing in mixed used developments is demonstrated.

STRATEGY 2: OPTIMISE BENEFITS FROM EXISTING AFFORDABLE HOUSING SITES

POLICY 3

Facilitate opportunities to increase affordable housing yield and diversity on existing social housing sites through transfer, redevelopment, or sale and reinvestment.

ACTIONS

- 3.1 **Work with the Victorian Government to identify and facilitate opportunities to pilot new delivery models and increase the yield, diversity and/or quality of housing in existing public housing estates, where there is a clear social benefit through:**
 - the sale of underutilised properties with proceeds directed to the development of higher yielding properties elsewhere in the City of Port Phillip
 - redevelopment that establishes new social housing, with transfers to registered Housing Associations and Housing Providers
 - redevelopment that establishes mixed housing outcomes, including public housing, community housing, Community Land Trusts and private housing.
- 3.2 **Facilitate renewal of social housing assets owned by other community housing, not-for-profit organisations or ethical investors, where this will realise an increase in supply and / or diversity.**
- 3.3 **Advocate that the Victorian Government make social housing projects exempt from site density limits in the Neighbourhood Residential Zone, whilst ensuring high quality site responsive design.**

OUTCOMES AND BENEFITS

1. The number of social housing units provided through existing public housing is maintained or increased.
2. Public housing units are redeveloped and / or refurbished, ensuring they remain suitable for accommodation.
3. Ownership of some social housing units becomes vested with local community housing organisations, increasing their portfolios.
4. Additional affordable housing units are delivered on underutilised Victorian or Commonwealth Government land.



POLICY 4

Facilitate PPHA to leverage existing PPHT property assets to deliver an increased supply of community housing.

ACTION

- 4.1 In partnership with PPHA, as Trustee of the PPHT, identify existing property assets under the Port Phillip Housing Trust that can be effectively and viably leveraged to realise an increased affordable housing yield through appropriate redevelopment, including the opportunity to leverage any available Victorian and Commonwealth Government partnership funding.

OUTCOMES AND BENEFITS

1. PPHA increases the number of affordable housing units in the PPHT, using the existing trust property assets.
2. The quality of community housing units is improved, as new units replace older units, and supercede outdated housing models (including rooming houses).
3. Increased social returns through the replacement of less viable or underutilised housing assets.

STRATEGY 3: IMPLEMENT PLANNING MECHANISMS

POLICY 5

Apply planning mechanisms that encourage the private sector to deliver new affordable housing units.

ACTIONS

- | | |
|---|---|
| <p>5.1 Identify ‘best practice’ international and Australian planning mechanisms that have been successful in delivering long term affordable housing.</p> <p>5.2 Partner with the Victorian Government to develop planning mechanisms that can deliver social housing and other perpetual affordable housing as a component of private development based on the following principles:</p> <ul style="list-style-type: none">• broad based - to ensure equity and viability, and maximise the extent of housing delivered• transparency - to create certainty and predictability in relation to the requirements of the development sector, including an appropriate lead time for implementation• maintaining affordability in perpetuity• feasibility - having limited material market impact on housing investment and affordability• targeting contributions to registered Housing Associations and Housing Providers• flexibility - option for the provision of units or ‘in-lieu’ financial contributions. <p>5.3 Apply planning mechanisms to require, facilitate or provide incentives to increase the supply of social and affordable housing supply, with the aim that 20 per cent of new dwellings within multiunit developments are ‘affordable’.</p> | <p>5.4 Investigate the development of planning scheme provisions that incentivise the delivery of social and affordable housing without compromising design quality or amenity (such as floor space ratios in association with development bonuses).</p> <p>5.5 Investigate the application of planning mechanisms in Fishermans Bend, in collaboration with the Victorian Government and the Fishermans Bend Ministerial Advisory Committee. This aims to meet Council’s Fishermans Bend affordable housing target of 20 per cent affordable housing, with at least 30 per cent of this housing being community housing that is owned and managed by registered Housing Associations or Housing Providers.</p> |
|---|---|

OUTCOMES AND BENEFITS

1. The private sector delivers affordable housing to meet planning requirements that are applied across the City.
2. Potential for 20 per cent of all new dwellings within multiunit developments to be delivered as affordable housing, including a significant component of social housing.
3. Maintains social housing levels at 7.2 per cent of Port Phillip’s total housing stock.
4. Achieving community diversity within Fishermans Bend through delivery of 20 per cent affordable housing as part of its overall housing mix.
5. The portfolio of units vested in local community housing trusts is substantially increased, providing greater leverage for further development



AFFORDABLE HOUSING - FISHERMANS BEND

Over the next 35 years to 2050, Fishermans Bend is projected to deliver approximately 40,000 new dwellings, housing 80,000 new residents. Around 18,300 dwellings, housing 37,000 people are expected in the next 15 years to 2031.

Council's vision for Fishermans Bend is a place where there is adequate housing choice and affordability to meet the needs of a diverse community, including residents from all income cohorts, and those who are socially disadvantaged or marginalised.

Council has endorsed the following strategic outcomes and principles for affordable housing:

1. A diverse mix of housing types including townhouses and apartments that encourage families, independent living for seniors, accessible housing, and affordable and social housing opportunities
2. At least 20 per cent of housing is affordable, and no less than 30 per cent of these dwellings are provided as community housing owned and managed by registered Housing Associations or Providers.

By 2031 Fishermans Bend will require an additional 3,700 affordable housing dwellings, including 1,100 social housing dwellings. To achieve this, Council will:

- support affordable housing ratio targets within Fishermans Bend Strategic Framework Plan
- seek to introduce planning mechanisms that facilitate and incentivise the delivery of affordable housing in new development.

STRATEGY 4: CONTINUE TO PROVIDE LOCAL GOVERNMENT LEADERSHIP

POLICY 6

Facilitate the delivery of affordable housing projects by others.

ACTIONS

- 6.1 **Facilitate partnerships between the Victorian and Commonwealth governments, private organisations, Community Land Trusts, philanthropic foundations, ethical investors, charities and other housing providers**, to identify potential property developments that enable the delivery of new affordable housing units either as sole affordable housing developments or as part of mixed housing developments in the City of Port Phillip. Fishermans Bend presents a specific opportunity.
- 6.2 **Facilitate others to deliver affordable housing** in the City of Port Phillip, through Council providing assistance and guidance including:
 - property related information
 - housing needs analysis
 - project procurement and feasibility advice
 - information on project examples, development models and standards
 - property identification / purchase opportunities
 - sharing the findings of Council's applied research.

OUTCOMES AND BENEFITS

1. A wide range of organisations contribute to the delivery of affordable housing in the City of Port Phillip.
2. Beneficial partnerships are created between a wide range of organisations sharing an interest in delivering new affordable housing units.
3. Affordable housing is provided on surplus Victorian and Commonwealth Government land within the City of Port Phillip.

POLICY 7

Foster innovative models to achieve a broader spectrum and diversity of affordable housing.

ACTIONS

- 7.1 **Continue to research global best practices and innovations in achieving affordable housing**, and disseminate this knowledge throughout the affordable housing sector.
- 7.2 **Pursue innovative housing models that address local housing needs**, in particular, the broader range of target groups in the City. These can include:
- *Integrated older persons housing* - older persons housing that integrates a range of incomes with 'ageing in place' support services and the local community, used by the Humanitas Foundation - Apartments for Life in the Netherlands, and Extra Care Charitable Trust in the UK
 - *Common Ground* - supported singles housing for persons who are homeless (similar to the Elizabeth Street Common Ground in the City of Melbourne)
 - *Community Land Trusts* - perpetually affordable home ownership for moderate income households, commonly occurring in the USA, Canada and the UK, but yet to be established in Australia.
- 7.3 **Encourage the private sector and other organisations to pilot new models to provide affordable housing** in the City of Port Phillip.

OUTCOMES AND BENEFITS

1. A comprehensive body of research is developed, ensuring that the City of Port Phillip remains at the forefront of thought leadership on affordable housing.
2. The City of Port Phillip leads forums, seminars, newsletters and other similar measures to disseminate its knowledge across the industry.
3. Local community housing organisations, the private sector and charitable or other organisations apply innovative solutions to deliver new affordable housing units in the City.
4. The City of Port Phillip continues to be the leading local government expert for the delivery of affordable housing in Australia.

COMMUNITY LAND TRUSTS (CLTs)

CLTs, as a form of shared equity housing, are a common affordable home ownership option in the US, UK and parts of Canada, but are only now being investigated as a potential new housing tenure in Australia.

CLTs, which can comprise not-for-profit community housing organisations or groups of residents, own the underlying land and sell the dwelling only to home purchasers via ground leases, which remove the land value from the cost of home purchase. When purchasers wish to sell their dwellings, they are required to limit the sale price to a proportion of market price, thereby ensuring that the dwellings remain perpetually affordable to all successive purchasers.

Glossary

PPHA	Port Phillip Housing Association Ltd.
PPHT	Port Phillip Housing Trust
SPCHG	South Port Community Housing Group Inc.
St KCH	St Kilda Community Housing Ltd.
DHHS	Department of Health and Human Services, Victorian Government
NRAS	National Rental Affordability Scheme
CLT	Community Land Trust



Appendices

APPENDIX I

PROFILE OF PORT PHILLIP HOUSING TRUST AND REGISTERED LOCAL COMMUNITY HOUSING ORGANISATIONS

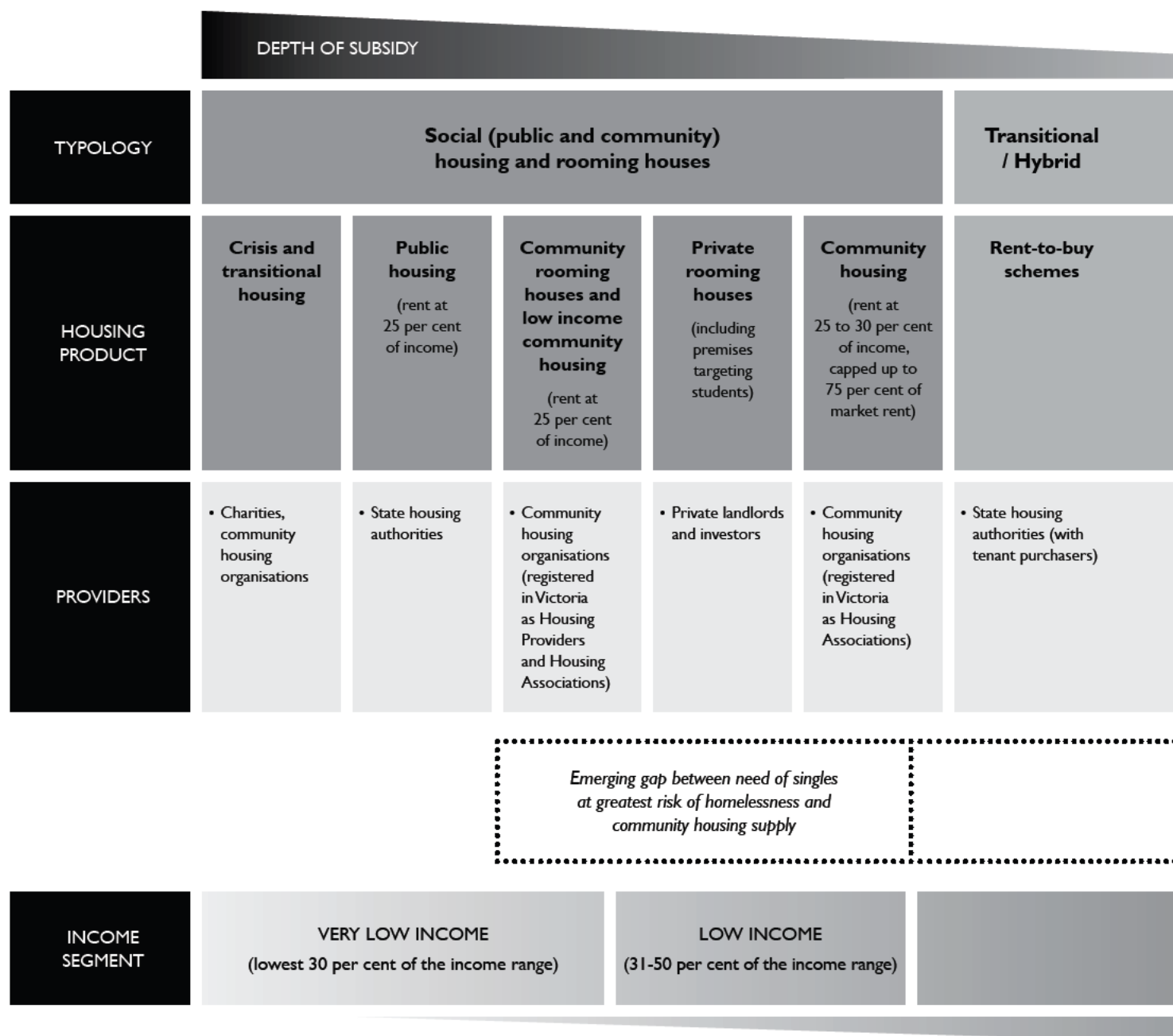
ORGANISATION	GEOGRAPHIC AREA (of business operation)	TARGET GROUPS HOUSED ¹	CURRENT PORTFOLIO SIZE IN PORT PHILLIP
Port Phillip Housing Trust (PPHA as Trustee) Established 2005	Across Port Phillip	<ul style="list-style-type: none">• Older persons• Families• Couples• Low income singles (including those with a high risk of homelessness)²• Youth• Low income wage earners / key workers	358 units
Port Phillip Housing Association Ltd. Established 1986	Across Port Phillip (as well as in three regions of Greater Melbourne)	<ul style="list-style-type: none">• Older persons• Families• Couples• Low income singles (including those with a high risk of homelessness)²• Youth• Low income wage earners / key workers	270 units
South Port Community Housing Group Inc. Established 1983	South Melbourne - Port Melbourne areas (plus managing rental housing cooperative units in St Kilda / Elwood)	<ul style="list-style-type: none">• Singles and couples (in particular persons with a high risk of homelessness)²• Youth	287 units
St Kilda Community Housing Ltd. Established 1984	St Kilda area (plus willingness to consider opportunities across Port Phillip and adjoining suburbs)	<ul style="list-style-type: none">• Singles and couples (in particular persons with a high risk of homelessness)²• Low income wage earners / key workers	337 units

¹ Including persons with a disability within these target groups

² Singles housing comprises rooming houses and self-contained singles units. For SPCHG and St KCH, these units also house a small proportion of couples.

APPENDIX 2

SPECTRUM OF HOUSING PRODUCTS



Alternative / Shared equity		Subsidised private rental	Private rental	Home ownership			
Community Land Trusts (yet to be established in Australia)	Shared equity housing	NRAS subsidised housing and private affordable housing (emerging)	Private rental housing	Modular, timber frame and adaptable housing	Student housing, reduced size and shell apartments	Co-housing	Standard market housing products
<ul style="list-style-type: none"> Group of residents, community housing organisations or CLT organisations 	<ul style="list-style-type: none"> State housing authorities (with tenant purchasers) 	<ul style="list-style-type: none"> Private developers (can include community housing organisations) 	<ul style="list-style-type: none"> Investors 	<ul style="list-style-type: none"> Private developers, (community housing organisations) 	<ul style="list-style-type: none"> Private developers 	<ul style="list-style-type: none"> Groups of private purchasers 	<ul style="list-style-type: none"> Private developers and home owners

Opportunity for increased housing products to create a continuum between social housing and market rate private housing

MODERATE INCOME
(51-70 per cent of the income range)

HIGH INCOME
(top 71-100 per cent of the income range)

DEPTH OF INCOME



For more information, please contact us via:

www.portphillip.vic.gov.au/contact_us.htm

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Facsimile: 03 9536 2722
SMS: 0432 005 405
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• CITY OF PORT PHILLIP •

THINK+ACT

Homelessness Action Strategy

2015-2020



IT TAKES A WHOLE COMMUNITY TO MAKE A PLACE A HOME

Contents

6 EXECUTIVE SUMMARY RECOGNISING HOMELESSNESS

8 COUNCIL'S VISION

10 THEMES AND ACTIONS:

1. BUILDING A MORE INFORMED RESPONSE TO ADDRESSING AND REDUCING HOMELESSNESS
2. STAYING CONNECTED
3. BEING INCLUSIVE
4. FOCUSING ON PREVENTION AND EARLY INTERVENTION

18 BACKGROUND

20 WHO IS HOMELESS IN PORT PHILLIP?

23 THOSE AT RISK OF HOMELESSNESS

26 FACTS ABOUT HOMELESSNESS

29 FAMILIES EXPERIENCING HOMELESSNESS

30 YOUNG PEOPLE AT RISK OF HOMELESSNESS

31 LATER LIFE HOMELESSNESS

32 HOMELESSNESS POLICY OVERVIEW

35 OUR METHODOLOGY

38 REFERENCES

39 GLOSSARY

An enduring commitment

FOREWORD FROM MAYOR, CR. AMANDA STEVENS

We are pleased to be releasing the Homelessness Action Strategy 2015–2020. The City of Port Phillip is a diverse community which has a long standing and enduring commitment to social inclusion for all residents. Council actively supports the delivery of affordable housing to meet community needs. This support includes the ways in which we work with the community to address and reduce homelessness. Council recognises this overarching framework builds upon the successful implementation of our previous five year strategy.

We want to ensure Port Phillip is a healthy and creative city, one that is resilient, vibrant and well governed for all. The Homelessness Action Strategy 2015–2020 is aligned to Council's Municipal Health and Wellbeing Plan which recognises that 'a broad range of social, economic and environmental factors need to be considered to improve health. Factors such as shelter, income, education, environment, social connection, access to services and equity have direct impacts on health, and also influence a person's ability to improve their own health and wellbeing.'

Although there are a number of wealthy households in Port Phillip, some 16% of our current households could be classified as low income. Between 2006 and 2011 private rents in Port Phillip had risen by 46%,¹ and 8% or over 7000 Port Phillip residents

were estimated as living in poverty.² The Port Phillip municipality is recognised as an area with a very low proportion of affordable housing with over 3000 households living in rental stress.

Port Phillip's approach to homelessness encompasses both individual and structural factors. We understand that life circumstances of individuals and the social and economic contexts in the broader community can lead to homelessness. Homelessness places people at harm, impacting on personal safety, health and wellbeing, security of possessions and their ability to engage and connect with employment and education opportunities. In the 2011 Census,³ over 1500 people were counted as experiencing homelessness in Port Phillip.

The City of Port Phillip leads by example in pursuing social justice for all people in our community. Our Social Justice Charter promotes principles of participation, partnership, access, respect for diversity, addressing the cost of living and reducing disadvantage and enjoying the city by being connected. We recognise that a broad range of social, economic and environmental factors need to be considered to improve health and wellbeing and that it takes a whole community to make a place a home. Council's role is to be welcoming and inclusive, equipped to connect people to services and partner and advocate on the issue of homelessness.



ONE OF THE FANTASTIC
THINGS, HE SAID IS
"THE HEATING IS FREE"

Osbert lives in a public housing flat he is very happy with. He pays for one hour home care assistance per fortnight to help keep it lovely and clean. One of the fantastic things, he said is "the heating is free." He does his washing on the weekends when everything else is closed. Osbert had to let go of some self-protective behaviours learnt sleeping rough on the streets a few years earlier. At the time he'd been living in pretty scary rooming houses and being robbed after his marriage fell apart when he was 60. He now attends the Police Gym to tone up and develop muscle tone on his doctor's recommendation. He picks up a box of fresh food every second week which he shares with another resident in his block.



EXECUTIVE SUMMARY

Recognising homelessness

Council recognises that homelessness can have complex and diverse origins and that it can happen to anyone at any stage of their life. Homelessness can be caused by something outside of a person's control such as not being able to locate secure, safe and affordable accommodation.

Council acknowledges our health is a reflection of the community and environment that we live in, the risk factors we are exposed to and the opportunities afforded to us throughout life. A key action in developing a healthy and inclusive city is ensuring a diversity of housing options is delivering affordable housing to meet our community needs. Council promotes social justice through facilitating inclusive public space and access to community facilities such as libraries, parks, and community centres.

Port Phillip is recognised as an area with a very low proportion of affordable housing. Research has shown that losing the ability to afford housing can have wide ranging impacts on many aspects of life. State government, council and a range of housing services are frequently approached by people experiencing housing stress which can ultimately lead to homelessness if suitable accommodation cannot be located.

Housing stress is defined as a household in the lowest 40% of income groups that is paying more than 30% of their income on their rent or mortgage. Despite government investment and the work of many organisations, homelessness and the provision of affordable housing remains a major and growing issue for many people in the community. Integrated affordable housing is essential in all communities – exclusionary design is unhealthy for everyone.

The City of Port Phillip supports the delivery of affordable housing to meet community needs and pursues social justice for all people in our community.

This can be achieved through a number of actions available to us as a council which include:

- Leading initiatives with the community, as well as with housing provision and homelessness services, community and health sectors, state and federal governments and local businesses, to ensure people have the best chance of moving out of homelessness into secure homes, and
- Focusing on people in our community experiencing homelessness, those with multiple and complex needs and those most at risk of becoming homeless in the next five years such as households experiencing housing stress.



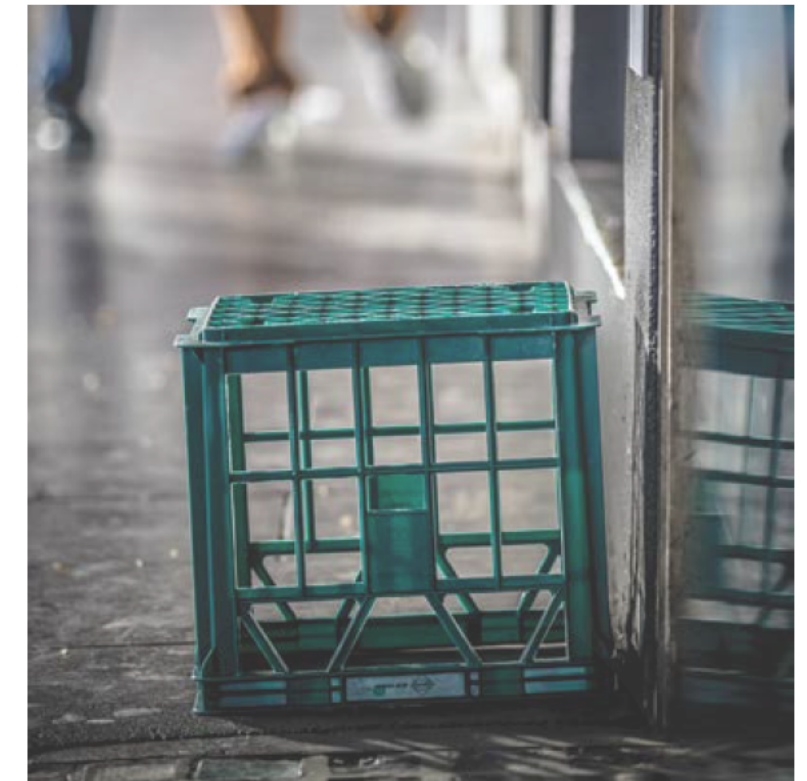
HOMELESSNESS CAN
HAPPEN TO ANYONE AT
ANY STAGE OF THEIR LIFE

Council's vision

The City of Port Phillip Homelessness Action Strategy 2015-2020 seeks to reduce the risks associated with homelessness through the development of agreed actions, continuing council's role as a leader, advocate, planner, facilitator and service provider.

Council recognise that homelessness can often remain hidden as many people constantly move around trying to secure housing.

In response to the municipality's growing population and the sustained local shortage of affordable housing and low skill entry employment, homelessness is expected to continue to increase. Despite this, council's strategic leadership in this area makes a measurable difference to mitigating the impacts of homelessness. Council recognises that homelessness affects a broad range of people. Reducing and preventing homelessness relies on integrating planning and actions across all levels of government, different service sectors, parts of the community and by actively including people with a lived experience of homelessness and/or housing stress. Many actions can be carried out within council's current staffing and budget levels.



COUNCIL'S STRATEGY

This strategy aims to address the complexity of homelessness by focusing on 4 key themes:

1. **Building a more informed response** – enhancing community awareness, facilitating research and information sharing across all service sectors
2. **Staying connected** – strengthening integrated responses to people at risk of or experiencing homelessness and housing stress through diverse partnerships
3. **Being inclusive** – listening to and advocating with people who have a lived experience of homelessness
4. **Focusing on prevention and early intervention** – supporting the delivery of affordable housing to meet community needs and improving access to support and information to obtain suitable housing.

THEMES AND ACTIONS

1. Building a more informed response to addressing and reducing homelessness.

Council has fulfilled diverse and effective roles over many years seeking to reduce and prevent homelessness which have included the development of housing, funding of grants and subsidies as well as providing and planning services.

Council is uniquely placed to take a lead role locally in raising community understanding of homelessness. To do this it is essential to integrate local sector knowledge of homeless trends, triggers, issues and needs.

COUNCIL WILL PARTNER WITH OTHERS TO DEVELOP AND DELIVER TIMELY, RELEVANT LOCAL DATA COLLATION, INTERPRETATION AND EXPAND PUBLICATION CAPACITY.

This will be achieved by the following actions:

- Supporting awareness raising programs and events enhancing and promoting understanding of homelessness in consultation with people who have a lived experience of homelessness
- Developing a shared framework to document services available to people experiencing homelessness and unmet demand/turn away, and release these publicly as part of the annual homeless report
- Monitoring the community's access to direct services/gaps in service responses
- Publishing a local homelessness situation report annually which will include efforts by council and local agencies to address gaps in services
- Facilitating the local homeless count for the 2016 Census and undertaking an evaluation of this strategy at its mid-term in 2018 after release of the homelessness data.

ACTION LIST:

- Annual Homeless Memorial supported each June and an initiative related to Homeless Prevention Week is held each August
- Shared Data Forum in 2015 to establish the terms of reference and development of shared framework to identify services available and local level of turn away – report by end of 2015 to demonstrate service capacity and inform advocacy to state and federal government
- Homelessness Report presented to council annually from December 2015 outlining community awareness initiatives
- Coordinate effective homeless enumeration related to Census in August 2016
- Evaluation of Homelessness Action Strategy completed in 2018.

“Any solution to homelessness should be focused and start locally. It has to start at council level. They should develop a strategy and tactics for advocating for a solution to homelessness. There is a need for clear objectives and measurement of results.”

(SURVEY RESPONDENT-DEVELOPMENT OF HOMELESSNESS ACTION STRATEGY 2015–2020)

THEMES AND ACTIONS

2. Staying connected

Over many years, council has advocated and partnered with a range of innovative support services.

In terms of homelessness, these partnerships have included the local Opening Doors entry point at Launch Housing Services who deliver federal and state government funded homelessness programs.

Council works with outreach programs operating locally including Launch Housing Services Melbourne Street to Home (MS2H),⁴ Inner South Community Health Community Connection Program (CCP), Assertive Mental Health Outreach (AMHO) and the Alfred Hospital Homeless Outreach Psychiatric Service (HOPS) – all targeting the most vulnerable people who are experiencing homelessness and are rough sleeping.

Council regularly liaises with Victoria Police, Centrelink, Launch Housing Services, Sacred Heart Mission, Royal District Nursing Services (RDNS) Homeless Persons Program (HPP), Salvation Army Crisis Services, Alfred Health, Inner South Community Health and local housing providers. No single organisation or level of government can address homelessness alone.

Program providers have highlighted the high incidence of trauma and entrenched exclusion experienced by people who remain homeless for long periods, in particular those who have moved from experience of homelessness as a child or young person through to adult homelessness.



COUNCIL WILL WORK WITH AGENCIES TO DEVELOP AND IMPLEMENT PREFERRED MODELS FOR FORMAL COLLABORATION AND PARTNERSHIP IN PORT PHILLIP.

This will be achieved by the following actions:

- Annually reviewing and implementing as required the Sudden Rooming House Closure Protocol in event of sudden closures of housing impacting on multiple numbers of residents; updated annually in the Municipal Emergency Management Plan (MEMP)
- Delivering the Social Meals in Rooming Houses in partnership with local agencies and incorporating initiatives regarding extreme weather such as heat wave responses
- Coordinating and facilitating integrated responses to homelessness in public spaces within council's services and with external partners through council's Protocol for Assisting People who are Sleeping Rough
- Exploring feasibility in establishing a Community Partnerships Framework promoting links with business and philanthropic communities.

ACTION LIST:

- Annual reviews of protocols completed and documented
- Report number of Social Meals in Rooming houses annually
- Report number of responses to homelessness in public spaces released annually
- Feasibility study of establishing Community Partnerships Framework carried out 2015/2016.

THEMES AND ACTIONS

3. Being inclusive

Council actively recognises and greatly respects the skill, knowledge and expertise of people with a lived experience of homelessness. There is strong support for greater inclusion of people with a lived experience of homelessness to be consulted in the development and implementation of policies and programs.

COUNCIL WILL DEVELOP FURTHER OPPORTUNITIES FOR ACTIVE CITIZENSHIP ENABLING THOSE EXPERIENCING HOMELESSNESS OR AT RISK OF HOMELESSNESS TO ENGAGE FULLY IN COMMUNITY LIFE.

This will be achieved through the following actions:

- Exploring opportunities to develop a homelessness community reference group seeking to inform the implementation of the strategy and evaluation
- Developing improved methods of delivering information to hard to reach parts of the community on how to access assistance
- Providing opportunities for social engagement in community spaces
- Promoting low and no cost inclusive events, recreation and activities in parks and public spaces.

ACTION LIST:

- Feasibility study regarding development of a community reference group carried out in 2015
- Communications strategy with expanded information methods developed in 2015 and reviewed annually
- Annual Homelessness Report documenting opportunities for community engagement and inclusion strategies
- Annual Homelessness Report documenting low/no cost events, recreation and activities in parks and open spaces.

“Council should promote Port Phillip as a community of multiple communities which add to the area’s character. To aid that diversity, housing that caters for low socio-economic groups should be supported and the views and input of those who have experienced homelessness actively sought.”

(SURVEY RESPONDENT-DEVELOPMENT OF DRAFT HOMELESSNESS ACTION STRATEGY 2015–2020).

“The most important thing is building relationships, building social connections as these allow social inclusion. Social interaction leads to engagement that often sees participants achieve well beyond their expectations and can be transformational.”

(LOCAL COMMUNITY ORGANISATION SERVICE WORKER HOMELESSNESS, DEVELOPMENT OF DRAFT HOMELESSNESS ACTION STRATEGY 2015–2020).

THEMES AND ACTIONS

4. Focusing on prevention and early intervention

The City of Port Phillip has facilitated the provision of public and community housing in Port Phillip for the state government's Office of Housing and other community housing organisations. Facilitation can include assistance required by providers in order to help support or develop community housing projects.

Timely access to safe, secure and affordable housing, and support if required, is the key to preventing homelessness and reducing the time spent in homelessness. Research has also identified that another vital part in preventing homelessness is for an individual or family to be connected to others in their community and have networks to turn to when they first experience difficulties.⁵

COUNCIL WILL INVESTIGATE AND EXPAND OPPORTUNITIES TO BETTER INFORM AND LINK THE COMMUNITY TO AVAILABLE SERVICES AIMED AT PREVENTING HOMELESSNESS OR REDUCING THE TIME PEOPLE EXPERIENCE HOMELESSNESS.

This will be achieved through the following actions:

- Supporting the delivery of affordable housing to meet community needs
- Ensuring people have access to relevant and timely support and information to access suitable housing, in particular that family violence services are widely known and integrated into council's homelessness response

- Delivering integrated service responses across council's direct service responsibilities that include Child, Family and Youth Programs and with older people through home support and council's nominations to local older person public housing⁶
- Advocating for and considering strategies to support local community housing organisations including those that address the needs of persons most at risk of homelessness.

ACTION LIST:

- Align actions promoting affordable housing outlined in Draft City of Port Phillip Strengthening Community Housing Partnerships Strategy in 2015 and review of council's 10 year Housing Strategy in 2016
- Review council's online information quarterly regarding local housing and homelessness services and document this in the Annual Homeless report
- Report numbers of people experiencing homelessness assisted by Council's Child, Family and Youth programs and Housing & Homelessness Services in the annual Local Homelessness report
- Ongoing monitoring of research regarding Family Violence and Homelessness to ensure it informs Council's Health & Wellbeing Plan, Housing and Homelessness strategies with the National Plan to Reduce Violence Against Women and Children
- Council submission to the federal government's future reviews of housing and homelessness and document other submissions and advocacy each year made to state or federal governments to retain and expand services locally.

“80% of homelessness can be solved by providing adequate housing. A small percentage of people need some assistance and an even smaller proportion need intensive assistance.”

(LOCAL COMMUNITY HOUSING PROVIDER-
DEVELOPMENT OF DRAFT HOMELESSNESS
ACTION STRATEGY 2015–2020)

"THE WORST OF IT IS THAT YOU CAN'T TRUST ANYONE AT ALL..."

Pat feels really **safe** in the small self-contained space in the **award winning K2 Apartment block** he lives in. He's been there since it opened. "It's really good," he says. Getting to move into a **new home** was just great.

It made a big difference no longer being **homeless**. Pat knows lots of people who are still **homeless**. When the **weather** changes it worries Pat, he knows what it is to be **exposed to extremes** of the heat or cold. "The worst of it is that you **can't trust** anyone at all," he said. "You can't ever leave your **stuff** as it gets pinched, even your **blankets** do."

Pat's a **Kiwi** who has been in **Australia** for over **30 years**. He's been in St Kilda for the last five. Living in **K2** is the most **comfortable** he has been for some time.



Background

The City of Port Phillip has a strong and enduring commitment to address social justice and to recognising homelessness as a priority. Port Phillip's approach is widely acknowledged within Australia:⁷

‘The City of Port Phillip is renowned for its proactive and innovative approaches to end homelessness. Homelessness is understood as a housing problem. Affordable housing is consequently an important element of the council’s strategy to help those experiencing housing stress. A human rights based approach informs the council’s approach to rough sleepers and managing public space. Since 2001, the council has worked to protect the rights and interests of vulnerable people sleeping in public space. The City of Port Phillip provides many examples of best practice.’



In developing council's approach, a range of national, state and local government responses to homelessness have been reviewed. The Victorian Local Government Act 1989 requires local government authorities to:

- Take into account the diverse needs of their local community in decision making
- Provide leadership by establishing strategic objectives and measure achievements, and
- Advocate for the interests of their local community to other communities and governments.

Council is also legally obliged as a public authority within the Victorian Charter of Human Rights and Responsibilities 2006 to consider human rights when it makes laws, develops policies and provides services. Council's responses to homelessness are in accordance with this charter.

Collective action⁸ creates stronger, healthier communities and requires important contributors from different sectors working to a common agenda for solving a specific social problem such as homelessness.

“A respectful community is one where difference is understood, sought after and celebrated, where people are valued for their individuality and feel free to be themselves. The City of Port Phillip commits to ensuring respect for all members of the community.”⁹

In 2008, council demonstrated its specific commitment to addressing homelessness by releasing Hope: Homelessness Action Strategy 2008–2013 which facilitated an enhanced understanding of homelessness and led integrated responses to reducing homelessness.

Strong partnerships between council, housing providers, health and community agencies have improved outcomes for people locally who are experiencing homelessness to assist them to access support and move into secure housing. However, services have consistently reported not being able¹⁰ to provide assistance to all who present needing help.¹¹ Launch Housing Services reported in July 2014 that their agency was turning away nine out of ten housing applicants.¹²

Who is homeless in Port Phillip?

DEFINITIONS

Homelessness can affect people at any age and life stage. It is currently defined as when:

- **“A person does not have suitable accommodation and their current living arrangement**
- **Is in a dwelling which is inadequate; or**
- **Has no tenure, or if their initial tenure is short and not extendable; or**
- **Does not allow them to have control of or access to space for social relations.”¹³**

Definitions of homelessness are variably understood across the community. From an individual's own perspective they may see themselves as housed, but they may be defined as insecurely housed or experiencing homelessness by services.

Terms distinguishing between various states of homelessness have been used in this strategy to distinguish between groups and these terms are also in common use:

- **Primary homelessness** – or sleeping rough – without a shelter of any kind.
- **Secondary homelessness** – living in temporary housing and ‘couch surfing’ at a friend or family member’s home, an institution or refuge.
- **Tertiary homelessness¹⁴** – living in rooming houses and inadequate housing including severe overcrowding; safety concerns; substandard or unsafe dwellings and insecure housing – threatened with eviction and/or having no security of tenure.

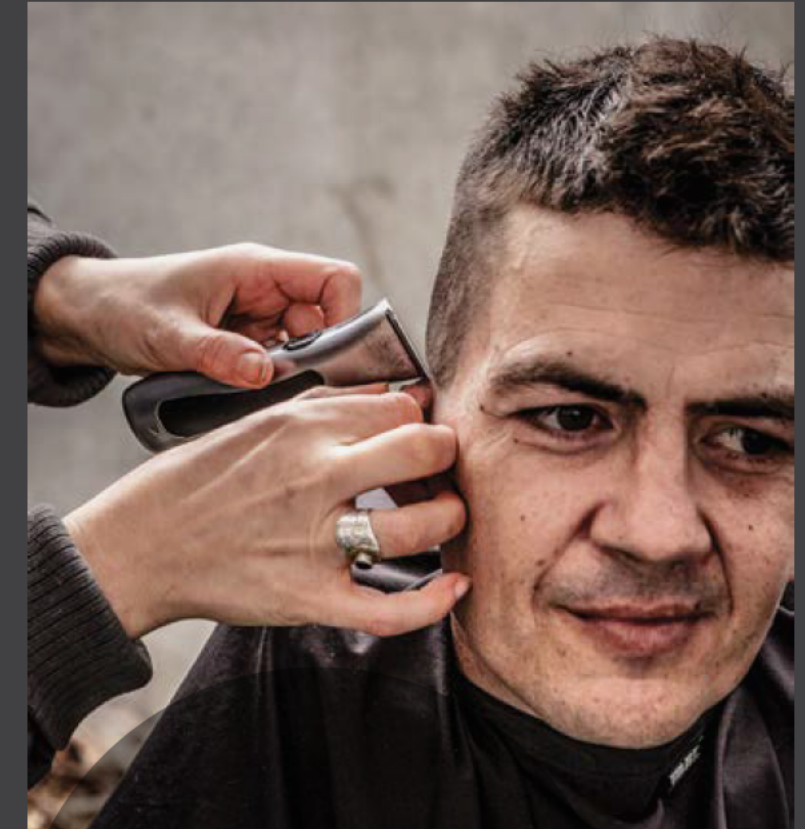
Some people struggle to obtain safe accommodation in terms of their personal belongings and/or their own personal safety and will elect to sleep rough as an alternative even though it is far from safe or secure.

Many people facing absolute homelessness are finding themselves in substandard, insecure, unregistered private rooming houses. These can be in units or houses with a room to rent and shared kitchen and bathroom. Community services are reporting they are observing increased numbers of families and older women in these premises when they cannot obtain other forms of private rental and different models of shared accommodation are growing across Melbourne. Proactive vigilance and attention to addressing this expanding rental sector is urgently required. Homelessness agencies are often left with little choice but to refer people in crisis to these properties as there are few vacancies offering affordable, suitable housing options.

Local individuals and families experiencing homelessness or at a high risk of becoming homeless include:

- A person who cannot access affordable and secure housing – there is added vulnerability for households in the private rental market, particularly as one in five local renters receive incomes below the poverty line¹⁵
- Women and children who are escaping family violence – 40% of family homelessness is attributed to being caused by family violence
- People who lose their jobs and struggle to secure adequate hours of work for an income that can cover the costs of rent, food and heating ending up in their cars – this is often referred to as hidden homelessness
- People previously working and renting or paying a mortgage who become injured or seriously unwell and unable to return to full time work
- People on a Centrelink income such as an Age or Disability Support Pension or unemployment benefits and unable to secure affordable housing
- People previously staying temporarily with a friend or family member where they have worn out their welcome.

The ‘on any given day’ graphic (see overleaf), produced by the Australian Institute of Health and Welfare for 2013/14 is quite a startling realisation, for those who are not familiar with this issue, of the extent of homelessness in Australia. A problem that is as much hidden as it is misunderstood.¹⁷



“Each night, some 22,000 Victorians experience homelessness, and the problem is often hidden – you are also homeless if you are couch-surfing or sleeping in cars or overcrowded accommodation ... 1 in 7 Victorians today who can’t afford their housing costs are at risk of being included in the homelessness statistics, and requiring ongoing housing supports.”¹⁶

ON ANY GIVEN DAY ...

1,500 SPECIALIST HOMELESSNESS
AGENCIES IN AUSTRALIA
WERE SUPPORTING OVER
56,000 CLIENTS

OVER 10,000
OF THESE CLIENTS WERE YOUNG
PEOPLE PRESENTING ALONE AND OVER
13,500 WERE CHILDREN IN FAMILIES
THAT WERE BEING SUPPORTED

7,500
CLIENTS REPORT HAVING SLEPT
ROUGH IN THE LAST MONTH

JUST UNDER 7,000
CLIENTS SPENT THEIR PREVIOUS NIGHT
SLEEPING IN CRISIS ACCOMMODATION.

399
NEW CLIENTS
WILL SEEK
SUPPORT
FROM A
**SHS
AGENCY**

**423 PEOPLE WERE
UNABLE**
TO BE ASSISTED

AGENCIES CLOSED 414
CASES OF WHICH **67%**
RESULTED IN **STABLE** HOUSING
OUTCOMES

Those at risk of homelessness

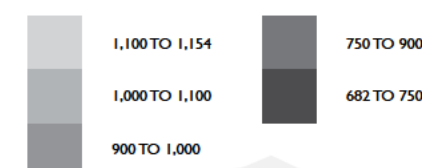
Homelessness is caused in part by incomes that do not meet basic need and fuelled by rent levels that are not affordable to those in the lower 40% of income groups. This leaves people with low to medium incomes competing for the very limited and often substandard options remaining.¹⁸

Australia is experiencing a widespread and increasing housing shortage. Particular groups report discrimination in the housing market, particularly sole parent families, young people, people on Centrelink benefits and Indigenous people.

Renters are increasingly the typical form of tenure in the inner city regions and this is particularly evident in Port Phillip. Port Phillip is a community of renters compared to other areas that are predominantly home owners. More than 50% of the population in Port Phillip are renters compared to 20–30% nationally.

This map depicts the spatial areas of greatest disadvantage in Port Phillip in 2011 using the SEIFA index. This is primarily used to rank areas according to socio-economic advantage and disadvantage based on census data. The census variables used cover a number of domains and include household income, education, employment, occupation, housing and other indicators of advantage and disadvantage. Combined, the indexes provide more general measures of socio-economic status than is given by measuring one of the domains in isolation.

SEIFA by SA1, Port Phillip



**SHE HAS A PLAN
WHICH SHE CAN
SEE AND KNOWS
THE HOOPS SHE
HAS TO JUMP
THROUGH**



Sharon has been sleeping out for about three years now. Having come to terms with **alcoholism**, Sharon has **set goals** and **sobered** up on the first steps on a **brave** new journey. She has a plan which she can see and knows the hoops she has to **jump through**. She has things to look forward to. Her **children's company** is the most important of these.

But it wasn't always this way. Sharon has lived in **St Kilda** for more than twenty years now. She used to live in **Public Housing** but one day on the way back from shopping was **mugged** with an iron bar. Wounded and badly frightened, she **entrusted** her young son to her mother, it was **no place to bring up a child** she thought, and moved from her old life. The **violence** on the **streets** worries Sharon now. She says it is **not safe** out there anymore, particularly for **women**.

Facts about homelessness

Homelessness is an issue of significant proportion right across Australia. In 2011, more than 100,000 people nationally were experiencing homelessness (105,237). Statistics identify that those experiencing homelessness are as equally likely to be female as male, and equally likely to be younger children as those aged between 18–45 years.

The number of people experiencing homelessness grew across Victoria between 2006 and 2011 to number 22,789 Victorians; one in five was under the age of 12yrs.¹⁹

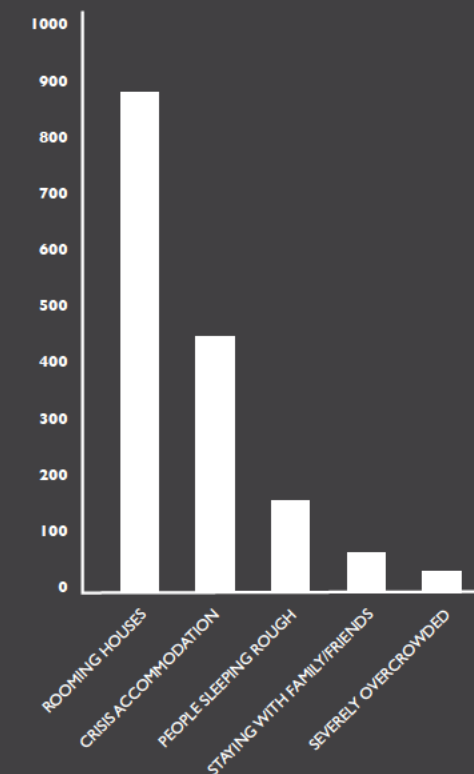
The number of people experiencing homelessness between 2006 and 2011 grew by 32% in the Port Phillip area compared to national increase of homelessness of 30.89%.²⁰ Current data of homelessness in the City of Port Phillip is derived from the available Australian Bureau of Statistics (ABS) August 2011 Homelessness Census data²¹ and Victorian Government Rental Reports.²²

City of Port Phillip has the highest numbers of people experiencing homelessness in the inner south east region of Melbourne and second highest across the Melbourne metropolitan area because it has been an area that has sustained a large number of rooming houses. These figures are evident in the sustained, high unmet demand being reported by local homelessness services and the increasing waiting lists of public and community housing providers.²³ In such an environment, it can be argued that increased effort and greater collaboration between all three levels of government and the service delivery sector is required to develop more effective outcomes.²⁴

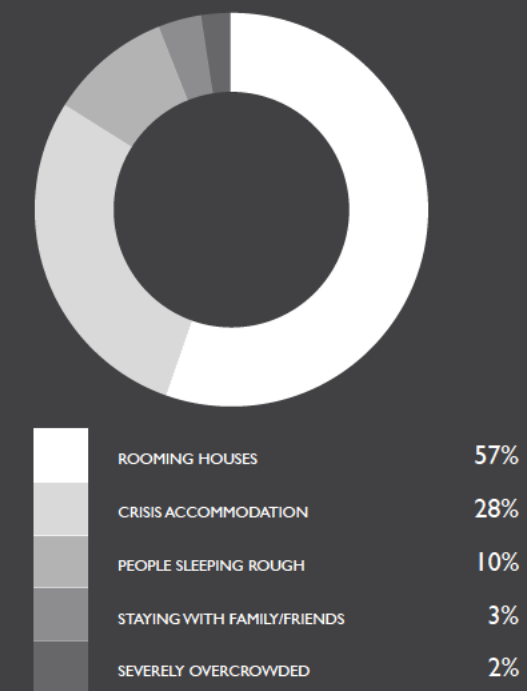
The ABS defines rooming houses as a form of homelessness due to the less secure form of tenure and often limited amenity and private space in this accommodation. The largest group of people experiencing homelessness in Port Phillip live in rooming houses – 892 people.²⁵

Port Phillip has a long standing tradition of providing shared accommodation in private hotels and boarding houses. Whilst meeting the definition of a form of homelessness, others view their tenancy in a rooming house as their home. In addition, many community managed rooming houses have been upgraded over the past five years to meet more modern housing and habitation standards and offer self-contained accommodation. In 2013, state government legislation required minimum standards for all rooming houses which included the establishment and publishing of an online public register of registered rooming houses in Victoria.

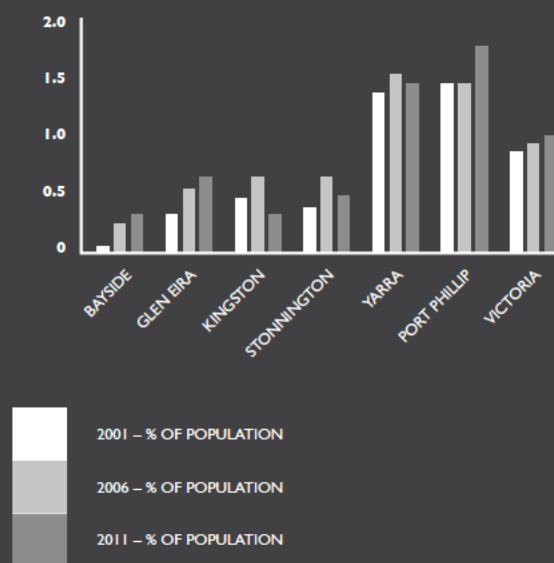
Number of people counted as experiencing homelessness in Port Phillip, Census 2011



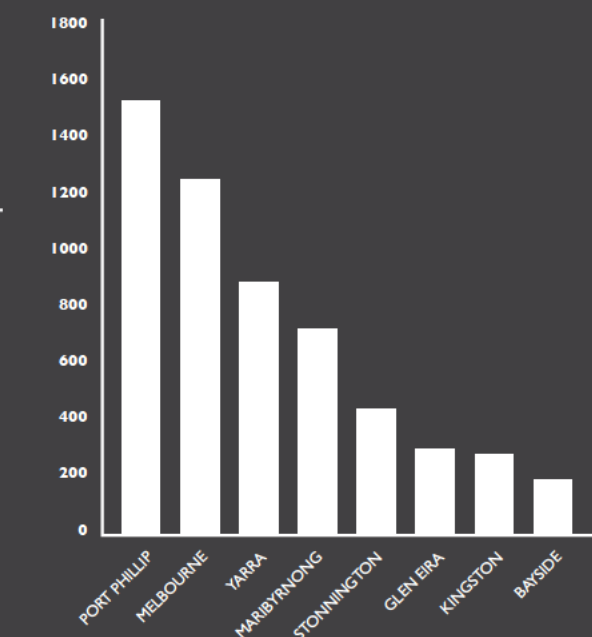
Number of people counted as experiencing homelessness in Port Phillip, Census 2011



ABS Estimates of People Experiencing Homelessness over 10 years



Number of people counted as homeless by Inner, Inner South and Bayside LGAs, Census 2011



“In September 2014, rent for a room in the St Kilda area ranged from between \$180 and \$300 per week. For a recipient of a Centrelink Newstart payment (unemployment benefits) receiving additional maximum rent assistance, rent could represent between 60 to 70% of their income.”

Better appointed and increasingly self-contained community rooming house stock has reduced episodes of homelessness for those living in these houses. Recent sector experience is of a reduction in turnover following rooming house renovations from rooms and communal facilities to small self-contained units. Homelessness services have noted more difficulty in accessing vacancies.

There are complex inter-relationships between rooming houses, homelessness services and the homeless population. Many specialist homelessness services use rooming houses, motels and hotels for short term crisis accommodation for those experiencing homelessness due to there being no available beds at funded crisis services. This can affect families with small children, youth and older people.

For some residents, the experience has been transformative and established a greater sense of security and home. For others who have experienced the loss of communal areas and courtyards in the renovated properties, more time is spent in public ‘third spaces’ such as meeting friends in the street, libraries and parks instead of the alternative of sitting alone in their room.

The City of Greater Dandenong with 1,634 people estimated as homeless is the only Melbourne municipality with a greater number than Port Phillip.²⁶

Public housing stock in Port Phillip remained constant from 2006 to 2011. There was a small increase in the community housing stock over this time due to new projects bringing the total social housing stock (public and community housing) from 3386 units in 2006 to 3790 units in 2011, however the proportion of social housing within the overall housing stock in the municipality has fallen from 5.42% in 2001 to 4.75% in 2011.

Families experiencing homelessness



Poverty impacts on a child's opportunities and increases poor health and education outcomes. The Organisation for Economic Co-operation and Development (OECD) estimates a 70% risk of single parents and their children living in poverty.²⁷

- Sole parent families in private rental households face greatest housing stress, particularly following changes to Centrelink policy early 2013. These led to a reduction in benefits available to a sole parent when their youngest child reaches 8 years of age.
- In Port Phillip in 2011, 55 families consisting of couples with children under 15 and 179 families consisting of a sole parent with children under the age of 15 were living in social housing.²⁸
- In Port Phillip, 34.95% of single parent families are in receipt of parenting payment. It is estimated 7.9% of all children in Port Phillip live in poverty.²⁹
- A range of specialist services for women and children who experience family violence are located in Port Phillip including crisis accommodation and refuges however, services report significant increases in women and children seeking assistance. Every year local housing services also see hundreds of children facing homelessness because of family violence circumstances. It is estimated that 44% of homelessness is caused by family violence.³⁰
- The introduction of the Enhanced Family Violence Framework in 2011 has started to improve police responses by increasing the number of alleged offenders being removed from the family home across Victoria, rather than letting things escalate to a point at which the victim and children must flee and attempt to find housing. However this is not always safe or possible and numbers of reports of family violence have been steadily increasing.³¹

Young people at risk of homelessness

“The face of homelessness had changed drastically over the past 50 years, from old men lining up for a feed to young people affected by family violence and a lack of housing.”³²



- Youth homelessness is one of the biggest problems facing Australia. Current statistics show that almost half of all homeless persons are less than 24 years of age.³³
- Homelessness amongst children and young people is strongly linked to relationship and family breakdown, domestic violence, physical and emotional abuse, anxiety or depression, unemployment and substance abuse. Young people may also find themselves homeless when their families are unable to afford suitable housing or are evicted from their housing.³⁴
- Children who are homeless are likely to face constant violation of these rights and are forced to endure conditions which are detrimental to their health and development. Homeless children and young people often suffer from extreme levels of distress, low self-esteem, depression, mental health problems and behavioural problems because they are victims of or witnesses to abuse. They are also at high risk of exploitation and further exposure to violence, and often have difficulty participating in school education.
- Early school leaving has been shown to be a key risk indicator of homelessness.³⁵ In 2011, Port Phillip 4.6% of 15–19 year olds and 8% of 20–24 year olds were not in paid employment or in education.

Later life homelessness



- Housing affordability and accessibility is a key structural factor highlighted in the vulnerability of a relatively small but increasing group of older Australians to homelessness in later life. Access to broader range and choice of affordable housing and accommodation options was identified by council in 2006 in its 10 year positive ageing strategy.³⁶
- Older people, who have not achieved home ownership by retirement are at great risk of significant disruption on retirement. These risks include a greater chance of moving to less secure tenure in low cost and often substandard and inappropriate housing for their needs as they age.
- It has been argued that the highest priority for housing should be accorded to securing housing tenure for older people in rental accommodation when they are approaching retirement.³⁷
- Recent research³⁸ found that 68.6% of older people becoming homeless nationally are private renters experiencing homelessness for the first time in older age after decades of managing to secure and sustain accommodation.
- National research is indicating that there is an increasing likelihood that households in the pre-retirement 55–64 age group will carry larger housing debts into their retirement than previously has been experienced.
- In 2014, the Centrelink Age pension was \$421.40 per week for an individual and \$635.30 per week for a couple, making the 30% housing stress cut off rent amount \$126 per week for a single person household and \$190 per week for a couple. There are virtually no available properties at this price available in Port Phillip or much of metropolitan Melbourne.³⁹
- Council has seen a growing number of local older people presenting in acute housing stress and/or homeless. Council's Housing and Homelessness Services assisted 416 individuals aged 50 years and over in 2013/2014 which was a 30% increase from the previous 12 months.
- Port Phillip has the largest percentage (29.9%) of people over 65 years living alone compared to the Inner South East region (26.6%). Data on older people living in lone-person households provides an indication of the population living in the community who may require additional support and services.⁴⁰

Homelessness policy overview

COUNCIL'S HOMELESSNESS ACTION STRATEGY IS A LOCAL GOVERNMENT POLICY RESPONSE AND MUST BE CONSIDERED WITHIN THE BROADER INTERNATIONAL, FEDERAL, STATE AND LOCAL GOVERNMENT POLICY ARENA.

INTERNATIONAL

The international response to homelessness is guided by the United Nations Human Rights Covenants and legislation of which Australia is a signatory. Homelessness, inadequate housing and forced evictions represent violations of international human rights. The International Covenant on Economic, Social and Cultural Rights (ICESCR) recognises the right to adequate housing which is more than just shelter.

Homelessness is more than just a housing issue. Homelessness is about human rights. People experiencing homelessness are not merely objects of charity, seeking help and compassion – like all Australians, they are individuals entitled to the protection and promotion of their human rights. Since human rights belong to everyone, it is in the interests of our community as a whole to ensure that the rights of people experiencing homelessness are respected and protected.⁴¹

“Adequate shelter means ... adequate privacy, adequate space, adequate security, adequate lighting and ventilation, adequate basic infrastructure and adequate location with regard to work and basic facilities - all at a reasonable cost. Everyone has the right to a standard of living adequate for the health and wellbeing of themselves and their family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, older age or lack of livelihood in circumstances beyond their control.”

NATIONAL

At the federal level the Australian Government Policy: The Road Home – A National Approach to Reducing Homelessness 2007 outlined a strong commitment to ensuring that no one in Australia is homeless and set an ambitious target to halve homelessness and offer supported accommodation to all rough sleepers by 2020. During 2008–2013 there was additional investment from both the federal and state governments in the homelessness sector and in the development of new affordable housing initiatives. Despite this, the reported level of homelessness by 2011 continued to increase.

This national homelessness strategy established the National Partnership Agreement on Homelessness (NPAH) 2009–2013. The NPAH was initially extended to June 2014, then to June 2015 and currently to June 2017. The NPAH contributes funds to a range of homelessness services in partnership with states.

Many of these programs are delivered by agencies based in Port Phillip and the inner south region of Melbourne. Nationally the proportion of people sleeping rough has fallen across 2001–2011 from 5 persons per 1,000 to 3 people per 1000. However other categories of homelessness have increased.⁴²

In May 2014, the federal government acknowledged the National Housing Supply Council had estimated the national shortfall in housing stock in 2011 was 228,000 dwellings. Assuming historic demographic and supply trends continue, this gap was estimated to increase to nearly 370,000 dwellings by 2016, and 663,000 by 2031. In late 2014, a federal senate inquiry explored housing affordability⁴³ and a further review of the Commonwealth government's role regarding housing and homelessness is planned 2015–2016 as part of its Reform of the Federation White Paper.⁴⁴

In December 2011, the Council of Australian Governments (COAG) Select Council on Housing and Homelessness was established to take an integrated approach to the related policy areas of housing supply, social and affordable housing and homelessness. The Select Council aims to drive an effective national response to reducing homelessness in Australia, and coordinate housing policy reform to assist COAG meeting its objective of providing all Australians with access to affordable, safe and sustainable housing that contributes to social and economic participation.⁴⁵

STATE

In 2011, the Victorian state government released the Victorian Homelessness Action Plan 2011–2015 (VHAP)⁴⁶ which outlined how it would respond to homelessness. Its overall objective was to reduce the number of people experiencing homelessness and decreasing the duration and impact of homelessness.

The VHAP focused on three key areas:

- Supporting innovative approaches to homelessness
- Investigating models focusing specifically on early intervention and prevention, and
- Better targeting of resources when and where they are most needed and where they will make the biggest difference.

In 2014, the state government was reviewing the VHAP and preparing a future homelessness strategy. This was occurring against a background of continuing long term uncertainty about future level of federal government funding for homelessness. The state government had released the New Directions for Social Housing in mid-2014 which had outlined its policy regarding providing quality housing to those in greatest need. In November 2014 there was a change of state government. Council will continue to monitor and respond to emerging federal and state government policies.

Launch Housing Services and the Salvation Army Crisis Services continue to deliver funded Opening Doors entry points that are located in Port Phillip. The purpose of these access points is to assess needs, prioritise and connect people to the services and resources they need. Each Department of Human Services region has one of these access points. Specialist Homelessness Services (SHS) aim to assist people who are homeless, or at risk of homelessness, to access and maintain stable and secure accommodation. Research has examined the client outcomes of these services and the net costs of these programs for governments. Governments face direct costs for these programs, but much greater budgetary savings result from the reduced use of non-homelessness services (e.g. health, justice and welfare services).

LOCAL

More than any level of government, councils play a coordinating role, bringing together material, social and community resources to prevent and end homelessness.”

(COUNCIL TO HOMELESS PERSONS' SUBMISSION TO CITY OF PORT PHILLIP HOMELESSNESS ACTION STRATEGY 2015–2020 JANUARY 2015).

To date, council has reviewed its response in regards to similar approaches to homelessness and housing stress by other local government authorities and has developed a range of strategic responses addressing local challenges in Port Phillip:

- Social Justice Charter 2011 has sought to embed social justice principles across all areas of council and at all points of contact from customer service points at town halls, libraries, community centres and sporting facilities through to specific public place management processes.
- Housing Strategy 2007–2017 has had widespread success in facilitating the expansion of affordable housing by setting targets for the provision of affordable housing. This has supported well designed affordable housing projects in Port Phillip and establishment of the Port Phillip Housing Trust as well as research such as Community Engagement and Community Housing in 2009.
- Municipal Health and Wellbeing Plan 2013–2017 incorporates the World Health Organisation's Social Determinants of Health model that recognise the conditions in which people are born, grow, live, work and age shape the health and wellbeing of a community.
- Hope: Homelessness Action Strategy 2008–2013 framed council's responses for the most vulnerable members of our community and guided collaboration with welfare services in the region, acting as a point of referral when necessary. It delivered a consistent resource for both council staff and councillors, and for the broader community.
- When reviewed in the first half of 2013, it was found to have provided a clear and consistent framework to guide council understanding and responding to the complexity and challenges of homelessness within the local community.
- Council Local Law No.1 (Community Amenity) 2013 and Protocol for assisting people who are sleeping rough 2012 developed formal and informal processes to ensure an integrated response to public homelessness within council areas and with local agencies.

Our methodology

While developing council's Homelessness Action Strategy 2015–2020, many people contributed how to best ensure coordination of a local homelessness response. This strategy draws on the belief that Port Phillip has a strong commitment to respecting diversity, dignity, human rights and social inclusion of all and a refuge for those who need one.⁴⁷

Any strategy needs to engage with people to better understand the issue and develop a well-informed response. Council has developed this by carefully listening to the Port Phillip community. Over September and October 2013, 158 residents, workers and people experiencing homelessness were interviewed and participated in focus groups and workshops. We also consulted widely in 2013 when developing the Municipal Health and Wellbeing Plan and housing and homelessness issues were often raised. Further consultation occurred December 2014 and January 2015.

City of Port Phillip has been committed to include the stories and perspectives of people who have a lived experience of homelessness. It is important that their voice directly informs our work. Here are some of the things they told us:

- “We need more affordable housing that doesn't have associated health risks such as dampness, poor ventilation and lack of heating” (Resident response-development of Municipal Public Health and Wellbeing Plan 2013–2017)
- “There are things that could happen to make life better; another safe centre like the St. Kilda Drop in catering for people with mental illnesses might be a good start” (Resident and someone with lived experience of homelessness, development of Homelessness Action Strategy 2015–2020)
- “Gentrification, rental increases, expensive cost of living pushes people out on to the street.” (Resident response-development of Municipal Public Health and Wellbeing Plan 2013–2017)
- “It saddens me that people have to live this way in such a prosperous country like ours.” (Resident, development of Homelessness Action Strategy 2015–2020)
- “Being homeless is very unhappy, you don't feel part of society and you can't enjoy the pleasures of life... Council should talk to people and ask for ideas, also they could provide activities and outings.” (Resident and someone with lived experience of homelessness, development of Draft Homelessness Action Strategy 2015–2020).

HE CAN'T LEAVE HIS WINDOWS OPEN FOR AIR FOR FEAR OF BEING ROBBED

Before his accident **Glenn** worked at Ngwala Willumbong, a specialist **alcohol service** for the **indigenous** community based in St Kilda. A pallet that fell off the back of a truck left him injured with **limited options**. It was his second major **accident**. In his first, many years ago now, he came off a motorcycle. Glenn walks with a pronounced limp.

Glenn now lives in a **self-contained** rooming house chosen for him while he **recuperated**. He didn't think to look first. It was perhaps **half the size** of the room we were in and contained his bedroom, lounge and bathroom. He **can't** leave his windows open for air for **fear** of being robbed. If he cooks, he has to **share facilities** with the same people that **steal** from him. If he opens the windows he has no **privacy** as people can look in as they walk past his front door. Someone even **rips** his veggies out before they've had a chance to **grow**. Losing possessions is **frustrating**. He "may as well be **homeless**" he says, he is just as at **risk**. Glenn's been **homeless before**. He started life that way. He was **taken away** at 3 years old from his **parents**. He was a stolen **generation** child. When he finally located his mother, it was too late to meet her.



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Glossary

ABS – The Australian Bureau of Statistics.

AHURI – The Australian Housing & Urban Research Institute.

AIHW – The Australian Institute of Health & Welfare.

Public housing – This is housing that is owned and managed by the Victorian State Government.

Community Housing Provider – a community not for profit organisation managing tenancies on behalf of the State Government Housing Authority.

Community Housing Association – a community based, not-for-profit housing company who manage stock either owned by the company or for State Government Housing Authority; also actively seek to generate new housing stock.

Social housing – refers to public and community housing.

Housing stress – refers to the lowest 40% of income groups who are paying more than 30% of their income on rent or mortgage costs.

NATSEM – National Centre for Economic and Social Modelling, (part of Australian National University).

NRAS – National Rental Affordability Scheme – a Federal Government funded scheme designed to generate additional affordable rental housing units.

OECD – The Organisation for Economic Co-operation and Development which promotes policies that will improve the economic and social well-being of people around the world. The OECD provides a forum in which governments can work together to share experiences and seek solutions to common problems.

Poverty Line – a relative concept measuring a point below which people are considered to be in poverty. In Australia, 40% of average weekly income is understood to be the poverty line.

Rooming House – Rooming houses (sometimes also referred to as boarding houses) generally provide housing for single people who (sometimes through disadvantage) find it difficult to access other private rental housing. Traditionally residents rent a bedroom (rather than self-contained flats/units) and use shared common facilities such as bathrooms, lounges, kitchens and laundries. Increasingly community managed rooming houses include partially or fully self-contained bed sitters/studio units.

SEIFA is primarily used to rank areas according to socio-economic advantage and disadvantage based on census data. The census variables used cover a number of domains and include household income, education, employment, occupation, housing and other indicators of advantage and disadvantage. Combined, the indexes provide more general measures of socio-economic status than is given by measuring one of the domains in isolation. A higher score on the index means a lower level of disadvantage. A lower score on the index means a higher level of disadvantage. In 2011, City of Port Phillip the median score was 1,065.7 on the SEIFA index of disadvantage.

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Council acknowledges people and elders, past and present of Yalukit Willam and the Kulin Nation.
We acknowledge and uphold their relationship to this land.